FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-93-209
Monday
1 November 1993

Daily Report
Latin America

FBIS-LAT-93-209 *1 November 1993*

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Summit Presidents Remark on U.S. Policy, NAFTA

PA3010004093 Guatemala City Radio-Television Guatemala in Spanish 0345 GMT 29 Oct 93

[Text] With the 14th presidential summit, which is being held in Guatemala City, as a backdrop, two contrasting positions were observed among the presidents on 28 October regarding the U.S. policy in the region. Costa Rican President Rafael Angel Calderon Fournier rebuked the U.S. Government for certain actions that harm the interests of Central American countries.

[Begin recording] [Calderon] We are seriously concerned and hereby request President Clinton's intervention regarding the continued actions of the U.S. Government, institutions, and agencies against our countries, which again and again threaten us with stripping our Caribbean Basin Initiative advantages, precisely now that Central America has progressed, more than ever, toward democracy and respect for freedom. Never before has Central America progressed so far in democracy, human rights, and freedom. Threats from the U.S. Government and its agencies have multiplied now that every one of our countries is progressing. Consequently, we are requesting President Clinton's intervention so that the continued threats and this injustice can cease.

[Unidentified reporter] What has happened with the concern that you have voiced?

[Calderon] It has happened to us all. This is not something against Costa Rica alone, rather against all—El Salvador, Honduras, Nicaragua, Costa Rica. We cannot go on like this.

[Reporter] Is this something like a balance?

[Calderon] No, the situation is like this. We are being treated the worst, at a time when Central America has advanced farther than ever in all its history, at a time of democratization and freedom, when we are beginning to reap the fruits of this great Central American effort. It is outrageous to say that no progress has been attained in Central America in the fields of human rights and democracy. [end recording]

On the contrary, Guatemalan President Ramiro De Leon Carpio praised the support expressed by President Clinton in favor of integration through a letter received in Guatemala on 28 October.

[Begin recording] [De Leon Carpio] This is an important letter addressed to the president of Guatemala. In its pertinent portion, the letter reads: I would like to tell you that we share—not only with you but with your fellow presidents as well—both your hopes and concerns regarding the signing of the Central American Economic Integration Agreement Protocol; in addition, I strongly support your efforts toward regional integration and democratization in Guatemala. I would like to work with you and the other regional leaders in developing the shared agenda. In this spirit of friendship, I wish you and your fellow presidents success in your debates. I look forward to learning of the results.

Undoubtedly, this letter represents an unrestricted support by President Clinton's government and encourages us, because the efforts toward the signing of the Guatemala Protocol are the hope of 30 million Central Americans for the true general development of all Central American peoples, as well as for the fight against poverty and corruption.

[Reporter] Mr. President, regarding the integration treaty protocol there were reports that an appeal before the Central American Court of Justice might endanger the signature of this important document.

[De Leon Carpio] No, no, no, that is totally false. The Central American Court of Justice is making recommendations that are already being considered, some of which had already been included in the protocol, which will be signed with these modifications and recommendations. Those parts that should be left out regarding the name of the court or the Central American Court of Justice, will have been omitted and therefore do not affect the protocol at all, either legally or politically. The protocol will therefore become fully effective, and we expect that tomorrow—a historic date indeed—the Central American presidents will sign the protocol. [end recording]

Honduran President Rafael Leonardo Callejas said that Central American countries are waiting for the U.S. Congress' definite approval of NAFTA.

[Begin recording] [Callejas] First, we believe that Central America should be given the opportunity to join NAFTA if this is approved, and second as long as this is occurring, NAFTA benefits should trickle down to Central American countries through the Caribbean Basin Initiative in response to certain initiatives taken by Senators Bob Graham and Florida Congressman (Gibbons).

[Reporter] Do you recommend a diplomatic offensive by the entrepreneurs against the White House?

[Callejas] Instead of the White House it should lobby Congress and the Senate. The White House favors the treaty's approval; thus, our lobbying efforts, which we are undertaking through several means, are aimed at congressmen and senators who are still unaware that NAFTA will generate more business and thus more jobs. [end recording]

Presidents Sign Central American Economic Integration Protocol

PA2910195693 Paris AFP in Spanish 1836 GMT 29 Oct 93

[Text] Guatemala City, 29 Oct (AFP)—The Central American presidents signed in Guatemala City on Friday the isthmian economic integration treaty protocol in an effort to move forward in the establishment of a free trade zone that can promote "the social, fair, and permanent development" of the nations in the area.

During a solemn event held at the National Palace in this capital, Presidents Ramiro de Leon of Guatemala, Rafael Callejas of Honduras, Alfredo Cristiani of El Salvador, Violeta Chamorro of Nicaragua, Rafael Angel Calderon of Costa Rica, and Guillermo Endara of Panama signed the protocol, which commits their countries to "achieve in a voluntary, gradual, complementary, and progressive manner a Central American economic union."

Costa Rican Foreign Trade Minister Roberto Rojas said that even though his country signed the protocol, it will not implement some of the points in the document such as a customs and monetary union and will not allow for the free movement of workers but "will work for the establishment of a huge free trade zone," with an emphasis on the trading of agriculture products.

The Guatemala protocol includes, among other things, the gradual elimination of all customs and non-customs restrictions as well as the elimination of unfair trade practices in an effort to improve the isthmus' free trade zone.

According to the protocol, the Central American countries will gradually achieve a customs union that can facilitate the movement of merchandise in their territories. They will also promote the free movement of labor and capital according to the social, political, and economic conditions of each country.

Text of Protocol

PA2910221393 Guatemala City Radio and Television Network in Spanish 1745 GMT 29 Oct 93

[Text of the Central American Economic Integration Protocol signed by the presidents of Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, and Panama at the Guatemalan Government Palace in Guatemala City on 29 October; read by announcer—live]

[Text] The governments of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, convinced of the need to jointly confront the challenges to achieve and consolidate peace, freedom, democracy, and development, which are the fundamental objectives of the Central American Economic Integration System, SICA:

Whereas the six countries are signers of the Tegucigalpa Protocol of 13 December 1991, which created the Central American Integration System as the legal and institutional framework of the general Central American integration and which, within it, the economic integration constitutes a subsystem;

Whereas the widening of its national markets through integration constitutes a necessary requirement to promote development based on the principles of solidarity, reciprocity, and equality, through the adequate and efficient use of all the resources, the preservation of the environment, the constant improvement of infrastructure, the coordination of the macroeconomic policies, and the complementation and modernization of all the sectors of the economy, in fulfilling the stipulations of the Tegucigalpa Protocol, of the ODECA [Organization of Central American States] charter reforms, which establish SICA and modify the structure and operation of the integration organizations and institutions, which will enjoy functional autonomy within the framework of a needed and coherent coordination among sectors;

Evaluating the current international affairs, especially the consolidation of broad economic opportunities and the need for an adequate integration of those countries into current world markets for greater wellbeing of peoples of the region;

Considering that trade regulatory instruments have already been approved, which serve as a good basis to boost the process of regional integration;

Recognizing that the Tegucigalpa Protocol signed on 13 December 1991 and the presidential directives have given a new dynamic to the integration process and the Central American Economic Integration Treaty [Tratado General de Integracion Economica Centroamericana] signed on 13 December 1960, allowing headway in various fields, which should be maintained and strengthened, making it necessary to adjust its rules to present-day needs and realities of the regional integration process;

Acknowledging that this readjustment should be aimed to the establishment and consolidation of the subsystem of Central American economic integration within the SICA framework, the governments decide to sign this Protocol of the Central American Economic Integration Treaty, signed in the City of Managua, Nicaragua, on 13 December 1960, which will be called the Guatemala Protocol. [applause]

De Leon, Welcomes Protocol

PA2910230793 Guatemala City Radio and Television Networks in Spanish 1812 GMT 29 Oct 93

[Speech by Guatemalan President Ramiro de Leon Carpio, marking the signing of the Protocol of the General Treaty for Central American Economic Integration by the presidents of Costa Rica, Nicaragua, El Salvador, Honduras, and Panama, at the Government Palace in Guatemala City—live relay]

[Text] Your Excellency Mrs. President of the Republic of Nicaragua and Your Excellencies Mr. Presidents of Central America; Your Excellency Mr. Vice President of the Republic of Guatemala; Your Excellencies Foreign Ministers of Central America; Your Excellencies Economic Ministers of Central America; honorable members of the Regional Commission for World Affairs; honorable members of the Central American Parliament; Messrs. Ministers and Secretaries of State of the

Republic of Guatemala; Honorable Mr. Secretary General of the Secretariat of Central American Economic Integration, SIECA; Honorable Mr. Executive Secretary of the Central American Integration System, SICA; Honorable Central American delegations; Your Excellencies heads of the diplomatic delegations and international organizations; and honorable heads of consular missions accredited to the Government of the Republic of Guatemala; Messrs. members of the local and international media; ladies and gentlemen; Central American people:

Today is historic. Indeed, today should be registered in the history of Central America as a historic day in which our governments have managed, through their joint efforts, to achieve the signing of the Protocol of the General Treaty for Central American Economic Integration, or the Guatemala Protocol. The Central American countries have accumulated an incredibly valuable amount of experience in integration, representing a model that has been welcomed by some regions of the Third World. It is also appropriate to recognize that this process had gone astray for a certain amount of time because of the international economic crisis and sociopolitical problems prevailing in the region. This has represented an enormous economic and social cost for the Central American isthmus. Nevertheless, our countries' recent history has undoubtedly taught us a great lesson: namely, that we have learned in its full dimension the importance of strengthening the democratic system and sponsoring development with social equality. These two things represent the groundwork on which we are building a new phase of Central America's integration.

Integration is a human and social development factor that must mainly favor productive investment, support the working class, allow for the expansion of social resources and employment, facilitate production and consumption, and create an atmosphere for the improvement of living conditions for society as a whole. The principles on which the Central American presidents base this integration process are not limited to economic issues, marketing actions, or the free flow of merchandise and capital. It is also aimed at simultaneously developing political, human, labor, social, and cultural conditions within the framework of our countries' economic solidarity. It is necessary and important to achieve productive changes through the modernization of our economy in an effort to wage an effective struggle against poverty in the Central American region.

The opening of markets for our exports, creating adequate access to financing, the transfer of technology, the allocation of human resources, the protection and rational use of our resources, and creating support for the regional integration process undoubtedly represent strategic and essential measures that will enable the region to adequately compete within the new international scheme. Central American economic integration, which started in the 1980's, has allowed us to establish the groundwork for a free trade zone for Central American products and a standard tariff for products from outside the region, as well as the creation of a regional payment system for industrial development and the development of the infrastructure extant in the region.

The results are evident because the growth of interregional trade rose from $22 million in 1970 to $1.24 billion in 1980. Also during this time, industrial production developed; independence and interdependence between countries increased; a new business class emerged; and, most important, employment increased in new sectors of our countries' economies. Meanwhile, the basic infrastructure was improved through a network of highways, a communications system, an electric power network, the development of [word indistinct], and free transit via highways. All of this was strengthened through the creation of regional organizations that facilitated economic integration.

Unfortunately, the international economic crisis and the nascent democracies in some of our countries—countries in which it is still necessary to strive to attain a firm and lasting peace—have seriously affected our nations' economic stability. In view of this difficult situation, the Central American presidents and the business sectors of our region must rise to meet great challenges and overcome the crisis. It is necessary to reinforce regional mechanisms that began at the Esquipulas Summit and which established the foundations for a firm and lasting peace in Central America. It is also necessary to make changes in foreign trade policy to encourage competitiveness and the effective operation of the economy by supporting the export of goods and services whose value is greater than the cost of producing them. We must bear in mind that the transition to a more open and competitive economy necessarily entails changes that demand efficient production.

In July 1990, the presidents adopted the Economic Action Plan for Central America, which took into consideration that peace and democracy must become a reality if we are to attain a system of freedom and economic justice. This is the true foundation for growth with social equality. It is evident that we still have a long way to go before we overcome a high degree of inequity in terms of people who actually benefit from development and a fair distribution of wealth. The economic integration process leads us to realize that our region's most decisive challenge on the eve of the coming millennium is to find a way to change structures and attain steady social and economic development. This involves meeting an unusually large number of demands posed by our society.

Political leaders must make every effort to start walking the path toward productive modernization and social equality. For this reason, Central American integration is becoming a strategic factor in attaining steady development within a framework of greater international competitiveness. In other words, the restructuring, reinforcement, and reactivation of the integration process is an essential condition for new strategies in opening ourselves to the outside and in modernizing the production capabilities of our countries. All of these strategies

will make it possible for us to reach our goal—namely, creating the Central American Economic Community.

Today, with the Central American presidents' signing of the Protocol of the General Treaty for Central American Economic Integration—a document to be known as the Guatemala Protocol from now on—we have entered a new stage in perfecting the Central American Common Market. Moreover, this should make it possible for us to take advantage of our regional environment and to improve our international investments as a result of improving competitiveness in relation to other international markets. We cannot help but think about the competitiveness of the market in a global context. This is the case with the projected Single European Market, the North American Free Trade Agreement [NAFTA], and the Southeast Asia Agreement [as heard] led by Japan.

This trend is not unrelated to the commitments Central America has made to join NAFTA or to join in free trade agreements with Colombia, Venezuela, and Mexico. All of this falls within the realm of a legal and institutional systematization of economic integration, and it has led to this day—a day on which we have signed the Protocol of the General Treaty for Central American Economic Integration—the Guatemala Protocol. This is the first step toward its ratification and implementation, as well as, perhaps, a first step toward securing the full support of the Central American governments for the reactivation of the region's economic integration.

The Central American people and governments must work together in order that the spirit that sustains this integration process may result in an effective and fair distribution of benefits. Participation in economic life brings self-respect and social dignity. This is an essential element of human development.

It is necessary that the various sectors participate actively in this economic, social, cultural, and political process to promote within Central America the kind of integration that will create a more united society.

I also want to point out that on this historic day in which we have signed the Protocol of the General Treaty for Central American Economic Integration—the Guatemala Protocol—we are initiating the consolidation and modernization of a regional development system within the context of the Central American integration process.

Central Americans: Today, hopes have been renewed that the 30 million people who live in the Central American fatherland will achieve integrated development. Let us work together, like one large family. Let us remember that programs aimed at increasing development do not have, and must not have, any motive other than serving humanity. Thank you. [applause]

Central American Summit Declaration

PA3010005293 Guatemala City Radio and Television Networks in Spanish 2208 GMT 29 Oct 93

[Joint Declaration issued by the presidents of Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, and Panama at the closing ceremony of the 14th Central American Summit at the Camino Real Hotel in Guatemala City; read by Guatemalan President Ramiro de Leon Carpio—live relay]

[Text] Regarding the 14th Summit of Central American Presidents:

On this historic day on which we have signed the Protocol of the General Treaty for Central American Economic Integration, the Guatemala Protocol—a document that consolidates and modernizes a regional development system within the context of Central American integration—we have drafted the following joint declaration:

Central America has initiated a movement from conflict to development. Decades of confrontation and violence during which our democratic institutions were unstable are now drawing to an end. Within a short period of time, we Central Americans are overcoming one of our most serious and complex regional crises.

In the 1960's, Central America endured armed conflicts in which thousands of people died and hundreds of thousands were forced to leave their homes. The tension that existed between economic blocs found fertile fields for confrontation within some of our nations. As a result of this, segregation processes were ignited, and social problems became more acute. This negatively affected society's most vulnerable sectors, especially the most vulnerable one.

Decades of suffering and sacrifice have left deep scars, but they also have given us the political maturity necessary to realize that we need one another; that we cannot continue excluding one another; and that, only by remaining united, will we be able to face the challenges of the future.

The democracy we have been building with such great hope is beginning to reap the fruits of a peaceful Central America—a Central America invigorated by a new integrationist vision capable of changing the course of history.

Four of our nations will soon be holding general and honest elections that will confirm the democratic calling of our people and governments. The attempts that were made recently to return to an authoritarian past have been peacefully, but firmly, rejected by people aware of the fact that their political, economic, and social development depends on the consolidation of a legal state.

We Central Americans acknowledge the fact that the road to our objectives—objectives that include the consolidation of peace, democracy, and the development of our society—is indeed a long road.

We must strengthen democratic processes and promote human rights within the region. We must fight poverty and work on productive modernization to benefit all the sectors of our societies while respecting the environment.

To meet this challenge, we have launched a bold and innovative integration process that has given us regional institutions and forums that include presidential summits, the Central American Parliament, and the Central American Court of Justice, all of which are expressions of the legal and political framework established by the Tegucigalpa Protocol.

The integration process must be open. For this reason, our governments will set in motion formal mechanisms to consult all sectors within society and seek support for the integration process from all relevant organizations. They also will promote the establishment of a Central American social investment fund under the auspices of the Central American Integration Bank to fight poverty, to promote social works, and to improve the people's standard of living by financing social development programs.

Meanwhile, it is necessary to intensify social integration efforts within the region. To foster this, we will strengthen tools for coordinating social policies and programs at the regional level. We will be drafting a treaty for the social integration of Central America. This treaty should establish the framework, principles, and priorities of the region's social integration, as well as the necessary institutional structure.

At this point, it is necessary to acknowledge and to express appreciation for the profound dedication and interest that the first ladies of Central America have demonstrated in terms of promoting social development and overcoming poverty.

We encourage the international community to support these efforts through the International Conference for Peace and Development in Central America, which we will announce shortly. We Central Americans have assumed the challenges posed by our aspirations for overall development with equity. In the realm of economics, we have revised our basic view of Central America's efforts to enter the new world economic system—a view based on the opening of our economies. Contrary to what those who support market liberalization have preached, we have witnessed the appearance of new protectionist trends that are disquieting and seem to hamper our efforts to attain acceptable levels of economic growth and social well-being.

We Central Americans believe the ratification of the North American Free Trade Agreement [NAFTA] would constitute a far-reaching step in trade liberalization and market expansion. Consequently not only do we support the agreement, but we are willing to adhere to this regional economic system. It is in this context that we ask the U.S. Government to extend these benefits to include those Central American products moving into that market via the Caribbean Basin Initiative. This will allow us to maintain the competitive levels of our exports until we can complete negotiations and join NAFTA.

Central America requires a new sense of international solidarity capable of going beyond the traditional concept of aid; capable of recognizing our productive ability; capable of including our exports in the process of opening international markets; and capable of transferring capital, technology, and new models of cooperation that promote human development. A coordination process must begin between the various international cooperation agencies and regional cooperation organizations. This will allow optimum and efficient collection and use of resources.

We are currently working on the implementation of a regional coordination system, while being careful not to affect any bilateral cooperation relations. Central America offers all the necessary conditions for the interdependent implementation of a peace plan and an agenda for development. Our efforts, together with specific expressions of international solidarity, will allow us to make our region a model for resolving conflicts, consolidating peace, and enhancing democracy through comprehensive development. We have decided to hold our 15th meeting in 1994 in Costa Rica.

The Guatemalan and Nicaraguan presidents salute the outgoing presidents of Central America, recognizing their efforts to promote peace, democracy, and regional integration. The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama, along with the vice president of the Dominican Republic, express their appreciation to President Ramiro de Leon Carpio, his government, and the noble Guatemalan people for the warm hospitality that has permitted us to conclude this event successfully.

Appended to this declaration, we agree to develop the Guatemala agenda, whose content is part of this declaration. Thank you very much. [applause]

Calderon Makes Statement at Closing of Summit

PA3010025093 Guatemala City Radio and Television Networks in Spanish 2220 GMT 29 Oct 93

[Statement by Costa Rican President Rafael Angel Calderon Fournier at the closing ceremony of the 14th Central American Presidents Summit at the Camino Real Hotel in Guatemala City—live]

[Text] Messrs. Presidents; members of the various state branches; ambassadors and heads of international missions; First Ladies of the Central American region; ladies and gentlemen:

The recent events in Latin America, the former Soviet Union, and Central and Eastern Europe confirm that the signs of the times are pointing toward the victory and consolidation of democratic systems. Despite the outbreak of authoritarianism in countries such as Haiti, history is marching unflinchingly toward higher levels of democracy and liberty.

Starting from the decade of the 1980's, we have been living immersed in a real worldwide revolution for democracy. Slow and painful experiences have taught the nations throughout the world that democratic regimes, with all their limitations and imperfections, are essentially more humane and more benevolent than any dictatorial regime. It does not matter if the dictatorships are trying to justify their existence by resorting to Marxist- Leninist, nazi-fascist doctrines or through national security doctrines. In every one, man's dignity is ultimately diminished and humiliated.

As we are all well aware, authoritarianism attempted to project its shadow again in Central America—right here in Guatemala. This great country, with the support of its Central American sister nations, has managed to get the history of the isthmus to concentrate again on building more democratic and more humane economic and political systems. [sentence as heard] Today, without any doubt, libertarian history is reborn—more energetic than ever—in Central America.

The problems of democracy are solved through more democracy; in addition, the path to development will be democratic or it will never come through. Only democracy can amend whatever limitations may be brought about by democracy, because only democracy can save democracy. The retrogression of democracy in any of our countries can be viewed as a retrogression by the group of Central American democracies. A victory of democracy in any of our nations—such as what recently took place here in Guatemala—must be perceived as victory by all Central American democracies.

Contemporary democracy does not merely entail simple formal programs; it does not merely entail the necessary and indispensable division and equilibrium between the state branches, classic individual liberties, unrestricted exchanges of ideas, information or political parties and free presidential elections. For it to be permanent and irreversible, the new democracy must extend its benefits to all the social sectors of the population.

Contemporary democracy is not only a government elected by the people but also government by the people and for the people.

A representative democracy must be complemented and enriched with a participatory democracy, as stated in the last UN report on human development. The people's participation is becoming a focal point of our times. A political democracy must be nourished by an economic democracy; hence, the strengthening of democracy in our countries is equivalent to advancing down the road of development and the eradication of poverty.

All of us Central Americans must now renew our pledge with democracy. Today we must reassert our will to faithfully fulfill the Santiago Accord for democracy. Today we Central Americans must reassert our will to strengthen democratic institutions in all of our countries, but all of the Central Americans must also reassert our determination to fight poverty.

The only war we now want to wage in Central America is the war against poverty. It is a war in which the final goal is to turn our countries into strong markets within an overall development. We want no more wars that destroy lives and hopes. We do not want the quasi-infernal reiteration of the culture of violence. We only want to fight for causes that represent more human destinies. Central America cannot and should not be alone in this war against poverty. Central America needs the firm aid of developed nations in this war.

The firing of weapons is no longer heard, despite our problems and momentary setbacks. Peace is achieving progress, and all of the Central American presidents have a commitment with democracy; nevertheless, to achieve a permanent and irreversible peace and democracy we must advance toward development of the people's service, the development of the people, by the people, for the people.

As we approach the end of the century, let's reassert our faith in peace, democracy, economic integration, and development. As we approach the end of the century, instead of picking up weapons that destroy lives, let's pick up the weapons that build more human worlds: the weapons of economic development, the weapons of social development, the weapons to protect our ecology, the weapons to eradicate poverty.

We want no more wars that destroy lives and hopes. We only want to fight for the causes that represent more human destinies. Thank you very much. [applause]

Reiterates Nonsupport

PA3010015393 Paris AFP in Spanish 2205 GMT 28 Oct 93

[Report by AFP special correspondent Isabel Sanchez]

[Text] Guatemala City, 28 Oct (AFP)—Costa Rican President Rafael Calderon reiterated today that his country does not support Central America's political integration, because it is unwilling to lose its "national identity."

Calderon said that: "We have been clear about that; we are unwilling to lose our national identity. One thing is being solid, friends, and brothers as we always have been, and another one is losing our identity." Calderon is attending the Central American presidential summit in Guatemala to continue negotiations for regional integration.

The countries of the so-called Central American Group of Four—Guatemala, Honduras, El Salvador, and Nicaragua—support the establishment of a confederation similar to the one that existed in the region between 1824 and 1837, after the countries obtained their independence from Spain in 1821. Costa Rica has maintained a strong opposition to this proposal.

Costa Rica has argued that a political integration will jeopardize its national sovereignty. Costa Rica also

believes that the Central American nations have major differences, such as the existence of an army, which that country abolished over 40 years ago.

During a meeting of the Central American Parliament [Parlacen] held today at the National Theater, Guatemalan President Ramiro De Leon urged Costa Rica to join Parlacen to promote the economic, social, and political union of the isthmus.

Calderon told the media that although his government will advance the approval in Congress of the Parlacen charter by February 1994, it will not support political integration.

According to Calderon, his government views Parlacen, created in 1987 and effective since 1991, as a "forum" for dialogue in the isthmus but not as a mechanism that could eventually lead to Central America's political integration.

Former Guatemalan President Vinicio Cerezo, one of the founders of Parlacen, said that Costa Rica will eventually join the political integration of Central America as the political problems affecting the Isthmus are solved and as the Costa Rican people's position changes regarding such a union.

Cerezo said: "I believe it is important and necessary for Costa Rica to support the isthmus' political integration, because Costa Ricans must learn many things from the other Central Americans and vice versa."

Central American Presidents News Conference

PA3010164993 Guatemala City Radio and Television Networks in Spanish 2246 GMT 29 Oct 93

[News Conference by Guatemalan President Ramiro de Leon Carpio and Costa Rican President Rafael Angel Calderon Fournier with national and international reporters and unidentified moderator at the close of the 14th Central American Presidential Summit at the Los Lagos Room of the Camino Real Hotel in Guatemala City—live]

[De Leon] Messrs. Reporters, local and international representatives of the news agencies: As has been the custom in the past, the president who is hosting the summit and the president of the next presidential summit will hold a news conference on the issues discussed and subsequently we will take questions.

I am going to summarize this 14th Central American Presidential Summit. The 14th Central American Presidential Summit was held in Guatemala from 26 to 29 October. This is nothing more than the continuation of a process within the integration framework that for many years has been the great goal of the Central American isthmus nations. These nations are making efforts to achieve their orderly development in addition to [words indistinct]. The activities commenced with the inauguration ceremony of the Central American Integration System headquarters on Wednesday, 27 October, in El Salvador. This step is vitally important to consolidating the actions of this integrationist organization. That same day in Guatemala, the presidents met with representatives of the diverse economic and [word indistinct] sectors of the Central American area as well as with those of international institutions who are involved in the area's development. This broad, productive, and continuous phase has allowed us to hear the demands of the main sectors and the results of which were handled in the following manner.

The Federation of Central American Industrial Chambers and Associations expressed their satisfaction with the goals achieved thus far, thanks to the acceptance by the so-called CA-4 [Central American-4 nations] group in their last meeting as well as with Costa Rican President's [word indistinct]. The most important issue discussed here was the need for the presidents to make their utmost efforts to counteract illegal trade practices, particularly with regard to textiles, footwear, leather products, [words indistinct], and contraband articles. [Words indistinct] percent for the import of supplies, intermediate goods, machinery, and equipment not produced in the area that are used by the productive sector. The need was expressed to train human resources to negotiate with third parties in foreign trade relations within a [word indistinct] framework. This would be taking into account the different levels of the nations' development with which Central America is negotiating and finally, the wish for Central America to adopt a common foreign policy in the short term. [Words indistinct] want to express satisfaction to the president for the integration efforts.

The situation of the Central American Peasant Organizations for the Cooperation of Development [words indistinct] an organization that unites the most representative cooperative groups. The small and medium business sector expressed the desire that the integration efforts be extended to the civilian sectors that demand greater participation in the development of the Central American nations.

The presidents were [words indistinct] in the proposal, because it is undeniable that development entails interaction and interrelations between different social sectors of the area.

The Federation of Private Enterprises of Central America and Panama, Fedepricap, also placed special emphasis on asking the presidents that the Caribbean Basin Initiative be treated with justice by the North, so that it does not affect the countries making up Fedepricap.

They also requested support for the proposals they are (?presenting) to international organizations and friendly countries. In addition, they regarded as very positive the presidents' planned presence at the Caribbean Conference, to be held in Miami, to reinforce trade.

Finally, they deemed it necessary to create mechanisms for the consultation between the government and the private sector and concluded by supporting fully all of the efforts that the presidents have been conducting in favor of the integration process.

Similarly, the Central American universities, represented by their highest authority, the Central American Higher University Council, were listened to also and in their requests expressed satisfaction, because a space has just now been opened for education in the integrationist process. They stated that higher education is the foundation for the Central American countries' economic development, because technology and productivity do not originate in the same classrooms. They presented the need to include higher education and educational systems as strategic subjects to be debated at the next presidential summits. They requested the recognition of the Central American University Confederation as an integration organization and asked for the countries' financial support for their education plans and programs in the area, a request to which we, the Central American presidents, affirmatively replied.

International organizations also were heard. The UN Program for Development, particularly the Economic Commission for Latin America, desires to support the integrationist process, particularly in this stage, and expressed willingness to combat poverty, to consolidate the Common Market, and to (?improve relations) between Central America and the United States on one hand and the rest of Latin America on the other. The presidents recognized as very positive and encouraging this position.

In this same order was received an EEC message, which expressed interest to keep supporting the region's efforts in development. This will reinforce, undoubtedly, the actions to be included in the new treaty. A delegation of the Regional Commission for Special Affairs [CRAS], headed by the presidents' wives, was heard during the following sessions. During this meeting—in addition to recognizing the importance of social aspects as a fundamental objective of the integration efforts—the presidents expressed firm support for incorporating social aspects into the general integration system, as well as assistance, at the highest level, in encouraging creation of a special integration protocol as a juridical instrument to legitimizing and formalizing CRAS into the integration system.

The application of both proposals accepted by the presidents will permit a better acquisition of international resources to solve social problems in the conviction that social matters are not an addendum to economic matters. Later, the presidents reviewed the Joint Declaration and the Central American Economic Integration Treaty Protocol. We agreed to send two notes to the U.S. President. One of the notes outlines the region's interest in joining the North American Free Trade Agreement [NAFTA]. Nevertheless, realizing that joining will take time, we asked that NAFTA benefits be granted to us by expanding the current Caribbean Basin Initiative program. Likewise, we consider highly positive and favorable for our relationship the laws proposed by Senator Robert Graham and Florida Congressman Samuel Gibbons.

The other note addressed to President Clinton requests his intervention in preventing that any one of our countries be excluded from the commercial benefits derived from GATT and the Caribbean Basin Initiative. Such exclusion would contradict our efforts, both local and regional, to advance firmly on the path of democratization.

We also intend to advance firmly on respect for human rights, freedom, and economic reform in this stage of our history of 172 years of independent life.

During the fourth working session, the presidents signed a letter addressed to Spanish President Felipe Gonzalez asking him to mediate in favor of a projected Central American Interconnected Electrical System with [words indistinct]. Due to the importance of tourism in Central America, the presidents of Guatemala, El Salvador, and Honduras decided to support the Maya Route Project. Consequently, they reviewed and signed the corresponding document. Finally, as all of you witnessed during this historic event, and as the climax of this 14th Central American summit, the Central American presidents signed the Protocol to the Central American Economic Integration Treaty, from now on to be known as the Guatemala Protocol. As said before, this historic event has revealed the presidents' firm political willingness to support a new Central American integration style for a more human development. This shows that when wills unite, large steps in history can be taken, which 30 million Central Americans expect to become reality.

[Moderator] Now, journalists, ladies and gentlemen, we will now hold the news conference. For better results, we will keep a sequence in the reporters' questions. The first reporter will be Luis de Leon, who will use the microphone closest to him. There are two microphones, one on each side of the room. De Leon is absent. Next will be William Rodgers of Voice of America.

[Rodgers] Mr. Presidents, can you elaborate on Cuba. Why have you been mentioning this?

[Calderon] At this point, we pointed out the need for a dialogue among all political sectors in Cuba. Had this question been made five or six years ago, we would have replied that it was impossible to attain a solution through dialogue because something like this had not happened in any country in the world with a Marxist government. We have seen, however, the Soviet Union crumble, the Berlin Wall collapse, and the German people unite again. We have seen the Sandinists in Nicaragua accept the results of the election and hand over power to Violeta Barrios. Hope and faith that this epidemics of democracy that we have succeeded in unleashing in the world will reach Cuba, sooner or later. But we want it to arrive peacefully because we do not want the blood of our Latin American brothers to be spilled. An Ibero-American Forum exists already where Cuba is present. This can surely be a strong means to attain a peaceful solution. Central America has demonstrated that dialogue overcomes violence and all of the area's countries have been democratized. We simply point out that Central America is here to set an example. For whatever good it will do, we are all willing to cooperate in efforts toward a dialogue among the sides in Cuba because it is Cubans who in the end will have to find their own solution.

[Moderator] Journalist Daniel Chandler of the BBC in London has requested the floor at the news conference. Journalist Carlos Castanaza of SIGLO VEINTIUNO... [pauses] they have signed up for this news conference. Journalist Carlos Castanaza... [pauses] he is not here. Journalist Juan Luis Miguel of CAMBIO 16. We will continue. Journalist Sergio Alfaro of CNN.

[Reporter] I am Alfaro's assistant. He has the television camera right now. I would like to ask two questions for the president of Costa Rica. The first one is: What do you think about Guatemalan President de Leon Carpio's role in terms of Central American summits? The second question is this: Do you think the president has enough leadership to be a statesman?

[Calderon] Obviously I am not the person who should judge President de Leon Carpio. Only the Guatemalan people can judge President de Leon Carpio concerning Guatemala's internal affairs. I can judge him on an external basis, meaning the president's actions at the international level. We consider President de Leon Carpio and the Guatemalan people, and I am including the different groups of Guatemalan people, as an example for the whole world. Look, the situation you faced here four months ago—the difficult situation Guatemala faced.

For the first time in history, thanks to a man of President de Leon Carpio's stature, and thanks to the timely action carried out by different groups of Guatemalan people—including the Guatemalan Army—you managed to find a democratic solution, one that abided by the political Constitution in overcoming one of the worst crises faced by the Guatemalan people at this point in history. Just like I said in my speech, this crisis also affected Central America, because a blow against democracy represented a blow against Central America. A victory for democracy in Guatemala was a victory for all the Central Americans.

From this standpoint, we believe President de Leon Carpio is one of the great statesmen of our Central America—a man who achieved something extraordinary for Guatemala and for Central America. From the standpoint of a Guatemalan leader I will let you, the Guatemalan people, give your opinion, because you are the only ones who have the right to do so. [applause]

[Moderator] Journalist Felix Gomez of Radio Monumental, Costa Rica, will now participate in this news conference. Please.

[Gomez] Your Excellency President of Guatemala, I see the Guatemalan agenda mentions support or preferential treatment for Nicaragua, as well as aid or cooperation to achieve democracy in Cuba, and it also states concern for the events in Haiti. Mr. President, before the summit began you said you would ask the Central American presidents to support your efforts for a purge in the Supreme Court of Justice and the Legislative Assembly. Nevertheless, I see no mention of this.

[De Leon] It is precisely as my Costa Rican colleague said. Above all else, in terms of internal affairs, especially when talking about a purge or political reorganization that a nation is seeking, I believe the people and their authorities should look for necessary internal solutions. It would have been easy for me to request support at the summit, and, perhaps, it would have been easier for the presidents to accept my request and give me their support out of feeling of solidarity. Nevertheless, I did not want to compromise them, much less to use the summit for my advantage.

The internal problem we have in Guatemala is a problem which must be resolved by the Guatemalans using the exemplary mechanisms we have shown to the whole world. This must be done within a constitutional framework and within a legal framework, meaning the upcoming referendum. It is a legal procedure, unlike the mechanisms—mechanisms which, by the way, are illegal, unconstitutional, and antidemocratic—being used in other countries in the world. We are looking for a path, perhaps the most difficult path, but, nevertheless, the democratic path. Therefore, this is why I voluntarily refrained from compromising my fellow Central American presidents. I did not want to use the summit to my advantage, because the summit had specific goals, particularly the signing of the Protocol of the General Treaty for Central American Economic Integration.

From internal political viewpoint, we are facing a difficult situation with two state organizations. Nevertheless, the solution is in the Guatemalan people's hands. This is why I did not bring up the issue. I acted with honesty and, above all, I refrained from using the summit. Tomorrow, when my distinguished colleagues leave our homeland, we will again ask the Guatemalan people what they want to do with those two state organizations, and on 28 November, the Guatemalan people will definitely decide what will be done about our problem.

[Moderator] Journalist Miguel Dias, from the Central American magazine HOMBRES DE MAIZ, has the floor at this conference. Miguel Diaz, please, from the Central American HOMBRES DE MAIZ Magazine. He is absent. Ana Juleta Cardenas from Emisoras Unidas.

[Cardenas] I would like to ask two questions; rather one same question for the presidents of Costa Rica and Guatemala. How much have the European countries and other international cooperation agencies offered in aid funds for the countries of the region?

[Calderon] There is something much more important than amounts of money to talk about these days. Aid from the developed world, say $50 million, $60 million, $100 million for a given program, are of no use whatsoever when the doors for our export products are shut. To give you an example, Costa Rica alone exports $500 million in bananas per year. Of that, $300 million are shipped to the EEC. Logically, such amounts do not reflect [words indistinct] in light of the other situation. I think we can be glad we do not need direct assistance from the various international communities. What we do need is a chance to participate in the international

market, which is the only true way of escaping underdevelopment, with our effort and our work. This is why I said we must not talk about aid, but exchange instead. [Name indistinct], a representative of the former U.S. Administration, used to say: Trade not aid, [previous three words in English] which means what we need are better international economic relations.

We are going to manage this. We are going to manage it, because for the first time in Latin American history we have a democratic Latin America. We have just celebrated 158 years of independent life in Central America, this time with the greatest progress we have ever made in human rights, democracy, and freedom throughout Central America. The same goes for Latin America, where the average is 172 years of independence. For the first time we have a democratic Latin America; a Latin America with almost all civilian leaders; and with leaders who are guiding our nations almost in the same direction. Today we are really making Simon Bolivar's dream come true. Today we are finally beginning to create that Latin American unity. This is the only way to be heard in the EEC and the United States. This is the way to unity for all latin America so we can fight for that which our forefathers fought. They were unsuccessful, because they did not have the same conditions of Latin American unity that we do today, which will allow us to strive for fair international economic relations.

[De Leon] I would just add two things to that. In the first place, it is a fact that assistance is given many times to our countries when there are conflicts or when there are risks. However, once these disappear in one way or another, the assistance is then restricted or it is terminated. I believe that at this time, and in the specific case of the EC, it has been understood that this cannot continue. Although Central America has overcome large obstacles that were hindering peace in some countries and democracy in all of them, it is also true that this is the time for truly strengthening the economic and even moral assistance. The EC, and the international community in general, is very clear about this. That is why they have offered to increase assistance to our countries, but this assistance has been limited by needs and priorities in other parts of the world.

Then, on the other hand—and as the Costa Rican president has said—this is possible not only through economic assistance but also through opportunities and the elimination of barriers and obstacles. In other words, there must be a free and reciprocal trade, so we may one day have the freedom to compete.

Yesterday, he told me that undoubtedly we, the smaller countries— for fear of not saying the developing countries or the underdeveloped countries—need the larger countries, the developed countries, yet they also need us. Therefore, there should be justice in the treatment of free and reciprocal trade. That is the assistance that we, in Latin America in general and Central America specifically, are requesting. We are waiting for an answer to these demands, these true demands in these historical, political, social moments.

[Moderator] Journalist Maria Elvira Salazar of Telemundo will now ask her question at the news conference we are broadcasting to you right now.

[Salazar] Good afternoon President De Leon Carpio. I would like you to explain the current URNG [Guatemalan National Revolutionary Unity] situation after they turned down the plan you presented. How can this situation end when negotiations have reached a stalemate and there is no dialogue at this moment?

[De Leon] I must start by saying that the talks have not reached a stalemate, to borrow the term you used. On the contrary, there has been a public rejection, although not officially yet. Our proposal still has to be presented to the UN secretary general and we are hopeful, and I would add that we have the certainty, that in principle, notwithstanding the public rejection through the media, the first meeting will be accepted. This is only logical. I would say that this first meeting will be held to review the agreements and to examine preliminary elements that may pave the way to further dialogue and meetings, in principle. In other words, there has not yet been an official rejection. The national peace plan that the government I am honored to preside over has presented to the Guatemalan community and the international community, has three basic aspects that have been and are being recognized by the international community and are recognized and defended by the Guatemalan community:

For the first time in Guatemalan history civilians are participating, the whole Guatemalan society, so that here in Guatemala, through their representatives, through the representatives of all sectors that make up Guatemalan society, civilians can analyze Guatemalan problems and contribute possible solutions—including possible solutions to what may have been the main causes of this violence and this internal armed confrontation that has been going on for over 30 years.

For the first time the true situation is being faced. I want to back up to the first topic: for the first time a permanent peace forum will be held and this is where the main topics will be discussed to resolve the country's general problems. For the first time ever the national peace plan offers a solution to the social demands of the Guatemalan population as the most direct way to fight poverty and as the most direct way to eliminate as much as possible the main causes that caused the violence, that caused the internal armed confrontation.

These are government programs with the people participating for the first time. For the first time there will be dialogue and the possibility of talks between the government and the subversion, through the URNG. For the first time in the history of this confrontation that has lasted more than 30 years, the international community has mediated through the United Nations, through the secretary general who has now accepted this mediation. He is being asked that the United Nations not act only as observers, but to summon mediation, and give advice to both sides—both the URNG and the government.

For the first time the United Nations is being asked to participate—we shall not use the term exert pressure—so that both sides show interest and sign a cease-fire agreement to put an end to the domestic armed confrontation.

The important aspect of this national peace plan is that Guatemalans understand it as such—not only peace through an absence of bullets and violence, but social peace, economic peace, and overall peace with social justice for everyone. This is what is important. We hope that the URNG reply to the United Nations in a few days is to accept this first preparatory meeting between the government and the URNG. From there onward we will see how this discussion process fits in to the preliminary dialogue process because all Guatemalans wish not only a cease-fire but an end to the military clashes.

[Moderator] We have scheduled the conference to last at least 30 minutes. At this time the 30 minutes are almost up. Nevertheless let us listen to the question by journalist Mercy Garcia from "Telenews", Channel 21 of Guatemala. Would you please?

[Garcia] President Ramiro De Leon Carpio, what role will Belize play within the context of the integration process in Central America? Will it enjoy the same benefits as the other Central American countries with the support of your administration?

[De Leon] With respect to that question, Guatemala still has a territorial difference with Belize which has nothing whatsoever to do—geographically, economically, politically, or culturally—with the treaties, the Central American integration process, or the integration of an economic bloc. The territorial difference we still have, independent of what has been agreed by the states and honored by the current Guatemalan administration over which I preside, will have to continue its process of dialogue, talks, and conversations. In accordance with our political Constitution, when the moment arrives for a possible solution to the territorial difference, the Constitution requires that we hold a referendum in Guatemala. But the consequences, benefits, and results of an economic bloc will not be decided by a single country but by all its members. That is why we are looking at an integration where decisions are made through legal instruments agreed upon by those who are part of the process. At this time Belize's status is that of an observer—that is its status so far.

[Moderator] We now have a question by journalist (Bertrand De Lagrange) from French daily LE MONDE. Would you please?

[(De Lagrange)] My question is for President Ramiro De Leon Carpio. If you emerge victorious from the 28 November referendum, what do you plan to do afterwards? Do you plan to dissolve congress or do you believe that in this case the deputies will resign?

[De Leon] The mechanism established by our Constitution, which is known as a referendum, is a very special mechanism that we constituents established precisely to ensure—as must be the case in every real democracy—the people's choice and sovereignty. In this respect, once all steps and mechanisms proposed by the president of the Republic have been exhausted, as a valid and legitimate intermediary of the Guatemalan people and representative of the national unity as established by the Constitution, I am entitled to resort to another faculty granted by the Constitution and have the Supreme Electoral Tribunal organize a summons [convocatoria]. The summons has been made and despite the numerous challenges to the manner in which the questions were presented, these did not proceed legally. Therefore, as of this moment, 28 November has been set as the date when the people will decide if they support the president of the Republic by ratifying the request made to National Congress deputies and Supreme Court magistrates calling for their resignation.

As can be observed, all this is being done within the framework of the Constitution and a democratic system. In the case of [word indistinct] aspect, from a doctrinaire point of view, this issue is apparently open to discussion. However, in my opinion, that of other legal experts and taking into account the spirit of the Constitution, I must say that as former president of the National Constituent Assembly, former president of the Commission of 30 who drafted, discussed, and prepared the Constitution project, most logically, the spirit of [words indistinct] which was inspired by an article of the Spanish Constitution dealing with the same issue, was precisely to have it comply with the legal obligation aspect, to make the people's decision more binding.

If at any given time after the results are made public, the people's decision were to be disregarded, constitutional and jurisdictional bodies would then be responsible for issuing a final decision, always within a constitutional framework. In this specific case I am referring to the highest court on constitutional matters, which is the Constitutionality Court. After a decision by the Constitutionality Court there would be nothing else to do but abide by the people's will.

[Moderator] One last question, from Carlos Mendoza, of ACAN-EFE.

[Mendoza] This question is for the president of Costa Rica. How is it that a Central American summit, in which a Central American economic bloc is created, is used to ask, as a bloc, for integration into the free trade agreement between the United States, Mexico, and Canada?

[Calderon] To us it is very clear that our goal cannot just be the market of 30 million Central American consumers. If we continue to sell to the poor, we will continue to be poor. We want to sell to the rich and leave poverty behind, thus also becoming rich ourselves. This is why we want to sell to the United States, in order to come out ahead. [applause]

Cuba

Lage Said To Preview 'Profound' Revamping of State Aparatus

PA3110010993 Mexico City NOTIMEX in Spanish 2105 GMT 30 Oct 93

[Text] Havana, 30 Oct (NOTIMEX)—The Cuban Government today admitted it is studying free market reforms implemented in China and Vietnam "to adapt them to our country," as well as the possibility of selling state enterprises, but it denied that an effort is being made to change Cuba's economic system.

During an interview published in the official daily GRANMA, Carlos Lage, vice president of the Executive Committee of the Council of Ministers, stated: "Our battle, our resistance, our efforts, are aimed at conserving socialism."

Lage announced that in the next few weeks there will be a profound reorganization of the state apparatus and that measures will be adopted to cleanse internal finances, which implies more cuts in personnel. The purpose is to reduce the budget deficit and currency surplus.

Lage denied that there will be a program to renew the country's centrally planned economic system, which is going through its most severe crisis of the past three decades. Following the collapse of socialism in Eastern Europe and the dissolution of the Soviet Union, with which Cuba maintained 85 percent of its preferential trade, the island has been suffering from acute shortages of food, fuel, materials, equipment, and other staples.

Lage is the coordinator of a special team in charge of making the necessary adjustments for a survival economy whose development index is nearly zero. His team is also tasked with proposing economic reforms capable of pulling Cuba through its fourth year of the so-called special period in peacetime.

The Cuban official accused the United States of halting the commercial opening process and the arrival of foreign capital in the island, where there are 99 economic associations formed with foreign capital. The Cuban authorities are studying another 120 similar offers.

Lage said his government is analyzing the possibility of selling factories to investors, as it did recently with an important industrial installation, to reinitiate production and to prevent them from continuing to deteriorate.

He said: "The foreign sector contributes material and a market, and it utilizes factories 100 percent. In turn, we receive half of the export income."

Lage said he hopes that the process of foreign capital investments in the island increases despite Washington's warning to governments and businessmen against potential investments in former U.S. properties in Cuba.

Lage said Cuba is studying the experiences of China and Vietnam, but he added it will not copy them mechanically. He noted Cuba has received assistance and cooperation from other countries and that, in general, Cuba is prepared to listen to any experiences and to evaluate the appropriateness of implementing them in Cuba. Lage noted: "It must be clear that we have to draft an economic model because the one we want and defend is the socialist model." [sentence as received]

Around the middle of this year, Lage visited Chile on an invitation from the government of President Patricio Aylwin. In Chile, the neoliberal economic model has reached high levels of economic growth. Ernesto Melendez, minister of the State Committee for Economic Cooperation, is currently in the South American country to meet with potential Chilean investors.

Melendez has announced that except for the sugar production, public health, sports, and social security sectors, all the other sectors of the Cuban economy are opened to the creation of mixed enterprises with the best guarantees and advantages, including the repatriation of profits and tax exemptions.

Announces Cut in Labor Force

PA3110022693 Havana Radio Havana Cuba in Spanish 0000 GMT 31 Oct 93

[Text] Carlos Lage, secretary of the Council of Ministers Executive Committee, has announced in Havana a deeper reorganization of the Cuban state apparatus and the need for measures to reinforce internal finances. In an extensive interview published in the Saturday edition of GRANMA, Lage said a number of measures are being prepared and will be implemented within a few weeks. He said the restructuring is necessary because of changes in the operation of the economy, which now features a closer relationship between imports and exports through foreign currency.

Lage said the changes will lead to a reduction of manpower, meaning that workers will have to be relocated to other sectors or dismissed with 60 percent of their current salaries if it proves impossible to employ them.

In terms of internal finances, Lage said it is essential to recover the excess currency now in circulation, which is equivalent to 10 billion pesos or U.S. dollars, according to the official exchange rate. He called for the people's understanding on this measure, bearing in mind that finances play an important role in overcoming the island's economic problems.

Lage GRANMA Interview Reported

FL0111023093 Havana Radio Rebelde Network in Spanish 1800 GMT 30 Oct 93

[Text] The daily paper GRANMA today carries an exclusive interview with Carlos Lage, member of the Politburo and secretary of the executive committee of

the Council of Ministers, in which Lage broaches essential aspects of the Cuban economy at the current juncture and announces a number of measures that are to be implemented in the immediate future.

In the first part of the interview, Lage recounts the causes that brought about the situation the nation is going through and the particular circumstances that have made dealing with the current year more difficult. Among these, and as fundamental, he cites the disappearance of the socialist bloc and the Soviet Union and the intensification of the United States blockade. To this he adds the adverse weather conditions that we have suffered, both drought and [heavy] rains, and the depreciation of certain of our products, such as sugar and nickel, which caused the level of imports to drop drastically.

Lage says: In view of this situation, the nation's leadership sought formulas and organizational mechanisms so as to face the shortages in a way that is in keeping with the Revolution's philosophy, which is to have all Cubans share the difficulties.

In the interview of comrade Carlos Lage by journalist Susana Li, the process of foreign capital investment is discussed. In this regard, (?Lage) said that there are today some 400 exclusively foreign commercial firms established in Cuba. Some of these are linked to state companies or companies that are juridically Cuban. There are also other companies, associated in different ways, such as the mixed enterprises in tourism—which create conditions for a progressive recovery of industries such as the citrus and cement industries—and the agreements for at-risk operations with foreign companies for oil prospecting.

Further on, Lage says: We do not need to come up with a new economic model, because the one we want and are defending is socialism. He explains: What we are trying to do is to make the rectification process's ideas suitable to the exceptional conditions under which we are living. Those measures are leading us to introduce private capital; therefore, our economy will develop with that growing presence, although state property will always dominate.

Lage stresses: A planned economy will also be maintained, and foreign capital will be teamed up with state enterprises, the economy, and the nation's interests. Under the new conditions, there will be a more important participation by individual and cooperative production. Under the new conditions, greater facilities will be given so that the different sources of possible income in hard currency can enter the economy—whence the decriminalization of the dollar and other measures.

In another part of the interview carried by GRANMA today, Lage says: Under the new conditions, taxes, the reduction of the budget deficit, price policies, and other measures leading to a streamling [saneamiento] of the internal finances will have to play a greater role.

As regards the creation of the Basic Cooperative Production Units [UPBC], Lage says it is hoped that the UPBC's will encourage workers associated with agricultural tasks to do such work and to remain [in the UPCS's], and that the UBPC's will encourage production at a lower cost. The Cuban leader points out that in agriculture, high yields are not achieved solely through organizational measures; fuel, chemical products, and animal feed, too, are needed. Nevertheless, the stimulus provided by the idea of one's being able to solve food supply problems for oneself and one's family, the distribution of profits, and the support that the state will give UBPC members in building energy-efficient housing should promote progressively better results in different kinds of production.

Carlos Lage adds that 15-day mobilizations in support of peak moments in agricultural tasks will be maintained, and the importance of the Youth Labor Army [EJT] in agriculture will be increased.

He affirms: The EJT is an emergent force and is an example of the FAR's [Revolutionary Armed Forces] response to the problems we are confronting.

The matter of encouraging work is also discussed in journalist Susana Li's interview of Politburo member Lage.

The UBPC's motivate work in agriculture, but other formulas are also being analyzed for application to other important economic tasks.

Comrade Lage points out: More than in formulas differentiated by sectors, we think that, to the extent that conditions in Cuba improve, food supply and work resource conditions can be improved. Under current conditions, it would not be possible to establish formulas for material incentives everywhere for all workers, because we do not have the resources that would require. Lage explains: This will be done in specific places associated with a direct economic impact on the country.

In the lengthy, profound interview carried by GRANMA today, Carlos Lage stresses: Work is not paid for in hard currency in Cuba, nor will it be. The decriminalization of the dollar is related to important decisions of a political nature, and permits workers in tourism and others who are in a position to receive hard currency for certain activities abroad to be able to keep such currency and purchase products in Cuba without exchanging the hard currency for pesos. This leads us to the political fact that this does not correspond to the Revolution's tradition and ideas; the thing is, material differences and advantages have always been thought of as being associated with personal merit and effort. The measure adopted gives rise to differences and advantages not linked to this, but linked, rather, to other factors. This is a reality imposed by circumstances that we must accept, reflects Carlos Lage.

To the extent that resources are available, the Revolution will make an effort to develop motivation that

depends on the work done, that depends on merit; to guarantee at all times the basic achievements in health, education, security and social assistance; and to guarantee food for all, independently of people's income and so that the differences that are created will not be excessive or constitute obstacles to the normal development of a socialist society. Stores have been opened to collect the hard currency that enters the country through various channels, and the prices of their products are relatively high.

The Cuban leader stresses: Our people know that when a store collects [hard currency], the owner is not enriching himself; they know, rather, that the resources are used to meet the basic needs of the population.

Lage adds: We must not view any measures we are taking today as the negation of what we did earlier. We must view them as a necessary change that is occurring progressively in policies—and also, with great realism, within the context of the exceptional situation that obliges us to accelerate certain decisions.

Lage announces another ensemble of measures aimed at confronting the current difficulties of the special period. Among these, he mentions reorganizing the state apparatus and streamlining internal finances.

Lage explains that a simplification of the state apparatus has been occurring for the past few years; but, given the conditions we are facing, a somewhat deeper reorganization of the state apparatus becomes necessary, even if this means that more personnel will have to be shifted to other tasks or released from their jobs, although given 60 percent of their salary, whenever it is not possible to shift them. In the analysis, it is a matter of which organizations should remain; which should change what they do; and in what form and in what order this process should be carried out.

The high-ranking Cuban leader explains that one of the most important and difficult measures to be taken is that having to do with streamlining internal finances. He explained: We are not thinking, in this case, of a single measure but rather of an ensemble of decisions, applied progressively. Nevertheless, we are working very carefully so as to not affect lower-income workers and families. Lage stressed: These will not be measures that will cause any worker to become unable to acquire the basic products he needs. The streamlining of Cuba's internal finances will not be effected through the shock therapy that has occurred in many countries.

The Cuban leader adds that measures being studied are the creation of a complete tax system, the use of the state budget as an instrument for regulating and controlling economic activity, and the application of accounting so as to achieve intervention in economic activities.

Talking about prospects for 1994, Lage answers a question from GRANMA by saying that the Revolution's circumstances are today very difficult: In addition to the blockade and the suppression of trade with the countries of Europe, we do not have access to international credit. Neither do we receive support from developed countries; and we must take into account the swings in oil prices—up and down—[and] of nickel and sugar. These are factors of the world economy that weigh heavily in the results to be obtained in any given year, Lage reasons. Nevertheless, we hope to see the process of capital investment increase. We can predict that tourism will grow, and that the tendency for extraction [not further identified] to increase will continue. It is also possible to aspire to seeing agricultural production improve progressively, and for sugar production to recover—something that cannot be accomplished in a single harvest but, rather, in several.

Lage explains: We think that several branches of the economy are in a position to grow in 1994, although it is not possible to predict to what extent, or when, such recovery will have an important impact on the solution of our problems.

Nevertheless, Carlos Lage says he feels optimistic, because the fact that the Revolution has been able to resist during this year, under the difficult circumstances it has had to face, has to be reason to feel encouraged. We are marching along the right path, the humane path, the path of solidarity, the socialist path, a difficult and tough one—stresses Lage in the lengthy interview carried by GRANMA Saturday [30 October].

Lastly, Lage stresses that if there is anything he could add, as regards what is left of this year and the beginning of 1994, it is that, in addition to everything else, we will be celebrating the 35th anniversary of the triumph of the Revolution, a moment at which the revolutionary staunchness of the immense majority of the Cuban people obligates us, through and through.

Fraga Stresses Willingness To Hold Talks With U.S.

FL3010022093 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Oct 93

[Text] On 29 October, Alfonso Fraga, chief of the Cuban Interest Section in Washington, reiterated Cuba's willingness to talk with the United States on a basis of equality to solve the conflict between the two nations. In an interview published today by LA OPINION, Fraga stresses that this discussion must take place on the basis of respect toward Cuban sovereignty, independence, and noninterference in its domestic affairs.

Justice Minister Comments on U.S. 'New Attitude'

PA3010135693 Madrid EFE in Spanish 0837 GMT 30 Oct 93

[Text] New York, 30 Oct (EFE)—Cuban Justice Minister Carlos Amat feels that the U.S. Government has a "new attitude" toward Cuba that could be the beginning of a change in its policy toward the island.

In an interview with EFE, Amat says that "we observe there is a more careful attitude that "could perhaps be the beginning of a self-appraisal of the U.S. stand and some change. I believe that we are living a different era in the world, and Cuba and the United States are part of that world," Amat said emphasizing that "it would be a serious contradiction if the United States works to eliminate the Cold War and, at the same time, maintains a hot war against Cuba."

The Cuban justice minister, who is in New York to participate in a UN conference on the struggle against drugs, explained that Washington "has given some type of a signal that leads me to think that there can be a series of other consistent actions, but that is yet to be seen."

With regard to the forthcoming trip by a U.S. Government delegation to Cuba, he said that this concerns the persons responsible for the economy and that he did not know any details of this visit.

The Cuban minister, who blamed the economic situation of his country—that results from the blockade imposed by the United States—for the rise in crime, pointed out that there has been an improvement in cooperation between the two countries in matters of drug trafficking and emigration. Stating that Cuba does not have an agreement on drug trafficking with the United States, he explained that, nonetheless, lately "some steps have been taken that have brought us together and we have been able to cooperate." Amat emphasized that "we have voiced our willingness to work with them (the United States) on the basis of mutual respect."

With regards to emigration, "it seems that a change is beginning to take place (in the United States) to start normalizing" what was established in the 1987 agreement, the minister said, explaining that in addition to providing for deportations to the island, the agreement grants a number—which he did not specify—of visas for the Cubans, which, he says, has not been complied with. He emphasized that "it is a better business for the United States to portray them as illegal escapees because they portray them as people who are fleeing from the communist regime." According to the Cuban minister, this is mainly "a human problem," inasmuch as the request for U.S. visas by Cubans responds to the economic needs of the applicants and a desire to meet with relatives who are in exile.

With regard to the political prisoners in Cuba, Amat said that the most common charges against them are sabotage and "conspiracy to murder state officials and carry out attacks, including against the commander in chief" Fidel Castro.

He admitted that the legalization of the opposition in the country "could undoubtedly alleviate tensions," but he considered that "it has been linked too much to the stands of other countries that have sought to undermine our social system." Nevertheless, he does not feel that the visit of Cuban exiles to the island as tourists is a threat to the Castro regime.

Butrus-Ghali Issues UN Report on U.S. Blockade

FL3010021193 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Oct 93

[Text] On 29 October, UN Secretary General Butrus Butrus-Ghali presented a report on the first 25 responses from UN member states on the General Assembly resolution condemning the U.S. blockade against Cuba. According to the resolution approved last year, Butrus-Ghali was to report on compliance with the resolution and present the results during the current session of the General Assembly. The subject of the U.S. blockade against Cuba will be debated again on Tuesday by the General Assembly. The report, an official UN document, includes responses to Butrus-Ghali's request that state members give their opinions on the issue and also includes the responses of the first 25 nations questioned on the need to end the economic, trade, financial blockade imposed by the United States against Cuba.

The report also reflects the position of 120 nongovernmental associations that wrote to Butrus-Ghali demanding the fulfillment of the UN General Assembly resolution that called for the end of the blockade against Cuba. The great majority of the member states included on this first report firmly opposes the blockade against Cuba and rejects the extraterritoriality of U.S. laws, while others limited themselves to pointing out that their laws do not support this type of measure. However, U.S. allies such as Great Britain and Canada stressed that they support free trade and are concerned by some of the measures the United States has taken against Cuba, such as prohibiting U.S. companies abroad from trading with Cuba.

Caricom Summit Seen Evincing Positive Outlook Toward Cuba

FL3010005493 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Oct 93

[Commentary by Juan Marrero]

[Text] In a recent summit held in Port-of-Spain, the heads of state of the Caribbean Community [Caricom] and the G-3, consisting of Mexico, Venezuela, and Colombia, agreed to create the Association of Caribbean States, which should begin to operate in 1994. The leaders of those countries expressed their fervent desire that Cuba participate in the above-mentioned association.

This is a very important event for the entire Caribbean community because it is an expression of the awareness that has been attained on the need for united and integrated advancement in the struggle for survival and development. This step is also significant because it shows how the Caribbean as a whole is beginning to think differently about Cuba and to accept the irrefutable truth that excluding the largest of the Antilles harms their own interests.

In the past, geopolitical factors blocked the development of fluid and stable ties between some Caricom countries and the Cuban Revolution. Weak and dependent on U.S. markets, most of the English-speaking Caribbean countries were pressured and threatened with commercial retaliation if they did not perceive Cuba as a threat to the political stability of the region.

Recent world events have made the U.S. language of the Cold War era, of the supposed threat that our country represented to its neighboring Caribbean countries, unsustainable. If in the past this was not believable, today it is even less believable. Today, with the exception of Barbados, Dominica, Antigua and Barbuda, and Montserrat, the rest of the Caricom countries, a total of 12, have established diplomatic relations with Havana. Furthermore, this year, Cuba was admitted as a member of the Caribbean Tourism Organization.

Last year, one of the conclusions of a Caricom delegation that visited Cuba was that Caribbean integration cannot be envisioned without Cuba's participation. This year, the Caricom summit held in the Bahamas agreed to create a joint commission with Cuba to analyze cooperation possibilities. The interest of Caribbean governments and businessmen in Cuba continues to grow. Several Caribbean businessmen have made investments here, particularly in the tourism industry.

Just recently, a Guyanese newspaper reporter pointed out that Cuba was an great opportunity for Caricom from the point of view of the opening of trade through joint enterprises and associations. Furthermore, he called for investors to take advantage of our people's experience and achievements in health care and education.

The truth is that now the Caribbean sees Cuba as a solid spot for important business and as an unavoidable site for the process of integration for the Caribbean economies. This, of course, has not pleased the enemies of our fatherland. They continue with their unchanging and constant nagging from the Cold War era. They claim to be amazed and dismayed by Caricom's decision. They demand that the English-speaking Caribbean countries reconsider and give up the idea of creating a joint commission; they censure the most recent step of inviting Cuba to participate in the Association of Caribbean States, which includes Caricom countries, Venezuela, Colombia, Mexico, Suriname, and possibly other countries with Caribbean coastlines.

In light of such events, some people in the United States have exposed once more their threatening claws and speak of such retaliation as withdrawing support for Caribbean trade benefits. Robert Torricelli, the author of the repudiated and condemned law to strengthen the blockade of Cuba, is first soloist in the choir created in Washington's Congress against the sovereign decision of the Caricom countries and the Group of 3.

Delegation Denounces U.S. Pressures at SELA Meeting

FL3010143193 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Oct 93

[Text] The Cuban Government has charged at the Latin American Economic System [SELA] that the United States is conducting a campaign aimed at jeopardizing foreign investments in our country, and characterized the campaign as another proof of the extraterritorial nature of the economic blockade imposed by Washington against Havana.

The Cuban delegation, which is led by Raul Taladrid, vice president of the State Committee for Economic Cooperation, made the charge in a document submitted to the 19th meeting of the SELA council, which is meeting in Caracas, Venezuela.

Cuba has charged that with a view to instilling distrust in prospective foreign investors, the United States has sent diplomatic notes to other governments to distort the nationalization process implemented on the island in the 1960's. The document contains a detailed outline of the international provisions on which the expropriations were based, the recognition of this fact by the U.S. Supreme Court itself, and the satisfactory negotiations concluded with other countries.

In remarks to reporters, Taladrid said Washington is seeking to pressure possible investors by citing alleged claims by U.S. citizens whose assets had been nationalized in the 1960's. He noted that Washington has worked out agreements to convert the respective U.S. citizens' claims into certificates that are kept at the Treasury Department and which will be negotiated in due time with the Cuban Government. Thus, based on the respective internal laws, the matter has been elevated to a government to government level and there are no such individual claims.

Committee Deputies Briefed on Underground Economy, Crime

FL3010002393 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Oct 93

[Text] During the second day of work of the Standing Committee for Constitutional and Legal Affairs of the National Assembly of the People's Government, committee members are being briefed on the crime situation by representatives of the Ministry of Interior [Minint], Supreme People's Tribunal, and Office of the Attorney General. On today's agenda are talks by specialists from Juceplan's [Central Planning Board] Institute for Economic Research on the underground economy and economic crime and by researchers from the University of Havana on proposals for perfecting the penal system.

The representative of the national leadership of the National Revolutionary Police [PNR] informed the deputies on the nation's crime situation and the measures that began to be applied on 20 August. The report

explains that 25 percent of criminal actions takes place in the city of Havana, and that, on the other hand, there has been a slight reduction in the number of bicycle thefts and the number of crimes against foreign tourists.

In his speech, Colonel Milian [name as heard] affirmed that economic crime is the type of crime that most affects the nation and that between 60 and 70 percent of the merchandise sold on the black market come from the state enterprises; he insisted on the need for further analysis of this situation, which is aggravated by the small number of denunciations that are made to the authoritative bodies.

The PNR representative said joint meetings among the Minint, the Office of the Attorney General, and the state agencies are being held to analyze the causes that create a favorable atmosphere for such actions.

Argentine Frigate To Operate From Guantanamo Base

FL3010003193 Havana Radio Reloj Network in Spanish 2045 GMT 29 Oct 93

[Text] The Argentine frigate Granville, en route to Haiti to join the naval blockade of Haiti, will operate from and resupply in the military base the United States maintains in Guantanamo against the will of the Cuban people. A TELAM special correspondent aboard the frigate reported that it is scheduled to reach Guantanamo on 6 November. A PRENSA LATINA dispatch points out that on more than one occasion the Cuban Government has expressed its concern about the use of Guantanamo Base for military operations in the Caribbean.

The Argentine frigate Granville is the only Latin American vessel participating in the naval blockade of Haiti. It will join American, British, Canadian, Dutch, and French units in the area.

A TELAM dispatch reports that the crew of the Granville, which carries Exocet missiles, is presently off the Brazilian state of Pernambuco. The 100-man crew of the Granville, which will join the blockade of Haiti, conducts combat readiness and boarding exercises each day. Official reports point out that the Argentine vessel, which will base its operations at Guantanamo Naval Base, is directly under the command center in Buenos Aires but operates jointly with the multinational force besieging Haiti. The commander of the theater of operations is U.S. Rear Admiral Charles Gaynor, who participated in the Persian Gulf War.

Castro Chairs Closing of Medical Congress

FL3010155993 Havana Radio Reloj Network in Spanish 0302 GMT 30 Oct 93

[Text] Commander in Chief Fidel Castro chaired the closing of the Fourth Cuban Congress on Microbiology and Parasitology and the First Congress on Tropical Medicine, which were both held at the Convention Center in Havana. The congresses were held simultaneously for three days at the Pedro Curie Institute in which 70 Cuban and Foreign delegates from approximately 30 American and European countries attended.

Its extensive scientific agenda included debates on sexually transmitted diseases, microbial agents, the ZUMA [not further identified] micro-analytical system, biology, and biological control of [word indistinct]. The congresses also included, as part of their agenda, discussions on acute diarrheic illnesses, microbacterias and tuberculosis, and the neuropathy epidemic.

Castro Bestows Honor on World Health Organization Official

FL0111023793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Nov 93

[Text] Commander in Chief Fidel Castro presented the Carlos J. Finlay Order to Dr. Carlyle Guerra de Macedo, director of the Pan-American Health organization and director of the Regional Office for the Americas of the World Health Organization. When commenting on the decision of the Council of State of the Republic of Cuba, Dr. Julio Teja, minister of Public Health, stated that with the order the Council of State was acknowledging Dr. Guerra de Macedo's contribution to the development of Public Health in our country over the years.

[Begin recording] [Teja] When our commander in chief pins the Carlos J. Finlay Order insignia on your chest, you can be completely sure that this order carries all the respect, consideration, and high esteem that our people, scientists, health care workers, and government have for you. Thank you very much. [applause]

[Guerra] This order is the greatest and most significant recognition I have ever received. It is significant because of the [words indistinct] is more than a contribution to science, it is an example that Cuba has multiplied and continues to multiply. It is significant because of the country that gives it: My beloved Cuba. Commander, it is significant because it was you who presented it. Thank you very much. [applause] [end recording]

Haiti

Pro-Duvalier Coalition Declares Agreement 'Null and Void'

PY0111115993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2336 GMT 31 Oct 93

[Text] Port-au-Prince, 31 Oct (AFP-NA)—A coalition of a score of Haitian movements that oppose President Jean-Bertrand Aristide proclaimed on 31 October that the agreement whereby the exile president was to have been reinstated in office on 30 October was null and void. It also asked parliament to declare a vacuum of power.

Emmanuel Constant, secretary general of the Front of Haitian Advancement and Progress (FRAPH, which supports dictator Francois Duvalier) gave a news conference in Port-au-Prince. Speaking on behalf of the coalition, Constant called for the resignation of Aristide, Armed Forces Commander General Raoul Cedras, and UN Special Envoy Dante Caputo, who negotiated the agreement on Governor's Island, New York.

Constant proposed that Caputo be replaced by General Colin Powell, the former chief of the joint staff of the U.S. Armed Forces, who recently retired.

The declaration issued by these parties—some of which only exist on paper—demands the immediate enforcement of Article 149 of the Constitution, which stipulates that in cases of a power vacuum, the Supreme Court chief justice takes over the presidency until elections are held.

Constant states that the issue of negotiations for the reinstatement of Aristide in office is "definitely resolved" on account of the "invalidation" of the Governors Island Agreement, which Constant proposes "updating."

Developments in Haiti Viewed

PY0111115693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1859 GMT 31 Oct 93

[Report by AFP Special Correspondent Christian Chaise]

[Text] Port-au-Prince, 31 Oct (AFP-NA)—Challenging the international community, the Haitian military officers, today, Sunday, remained in power while their followers celebrate the fact that ousted President Jean Bertrand Aristide has not been able to return to Haiti.

Overcoming the fateful day of 30 October, which according to the Governor's Island Agreement should mark the return of the exiled president, tension decreased in the Haitian capital despite multiple rumors of "a constitutional coup" by a dozen political parties which oppose Aristide's return.

On Friday those parties warned Aristide to give up the presidency, threatening him with resorting to Article 149 of the Haitian Constitution which states that in the absence of the president a provisional president must be designated from among members of the Court of Cassation, and new elections must be called.

The parties also called a rally in front of the Presidential Palace and some rumors claim that they would occupy the palace and install a new president.

"It would be a coup d'etat within a coup d'etat," Emile Jean-Baptiste told AFP. Jean-Baptiste is the spokesman for Aristide's Prime Minister Robert Malval, referring to the putsch that ousted the president on 30 September 1991.

From the constitutional point of view, Chamber of Deputies President Antoine Joseph said that overthrowing Aristide requires a complicated procedure, because he must be accused by two-thirds of the Chamber of Deputies and the Senate, which would act as a court.

Regarding a coup against the palace, which is being protected by a military detachment, Joseph said that "if they try to occupy the building, the Army will forcefully repel them."

On 31 October, the Army did not react publicly to the UN invitation to hold "urgent discussions" to unblock the Governors Island Accord.

The United Nations threatened the military with new sanctions, but Haitians are skeptical about the UN effectiveness. As a matter of fact, intensifying sanctions would be a double-edged sword because the poorest class would be most affected and would angrily react before the international community.

Aware of this, the United States does not hide its reservation to the overall embargo called for by Aristide and shows its preference for selective measures.

On 29 October, U.S. President Bill Clinton defined the limits of what he was willing to do to reinstate Aristide in office.

Clinton said he was willing "to study the most effective ways to intensify the sanctions," while the White House pointed out that in phone contacts with Aristide and Malval, the U.S. president had emphasized "his country's commitment to solve the crisis through a negotiated solution."

The key expression obviously is "negotiated solution," because it indicates that all other possibilities, including the use of force, are excluded.

Aristide Opponents Demonstrate in Port-au-Prince

PA3110194193 Paris AFP in Spanish 1902 GMT 31 Oct 93

[Text] Port-au-Prince, 31 Oct (AFP)—Approximately 200 opponents of ousted President Jean-Bertrand Aristide today organized a demonstration in downtown Port-au-Prince to state satisfaction over the postponement of his return, scheduled for 30 October.

The demonstrators, who carried blue and red flags, passed along one side of the Presidential Palace. Some carried pictures of the Duvaliers, Francois and Jean-Claude, the dictators who ruled Haiti from 1957 to 1986.

Louis Jodel Chamblain, coordinator of the Front for Haitian Advance and Progress (FRAPH), the leading neo-Duvalierist party, told AFP that his organization did not participate in the demonstration.

FRAPH set a deadline of midnight 30 October for Aristide to submit his resignation, threatening with recurring to Article 149 of the Haitian Constitution, which states that a provisional president will be appointed in the absence of an elected president.

Cedras Reaction to Aristide UN General Assembly Speech

FL2910183493 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Oct 93

[Text] General Raoul Cedras reacted to President Aristide's 28 October speech at the United Nations. The chief of the Haitian Army asserted that President Aristide missed a good occasion to pose the fundamental problems of a Third World country like Colonel Thomas Sankara, in particular, would do. The commander in chief said that by demanding the resignation of the entire Army general staff, President Aristide denounces, rejects, and violates the Governors Island Agreement. He noted serious contradictions in the president's speech notably on the question of amnesty.

[Begin Cedras recording, in Creole] He asked—he said according to the provisions of the Governors Island Agreement—for the departure of the commander in chief. He asked for the departure of the Army high command. He asked for the departure of the general staff. He asked for the departure of the police chief and he added: the police chief and his allies. I do not know to whom he was referring. Maybe, he referred to other military men. But I will tell you that I decided to sign the Governors Island Agreement. It [referring to the early retirement] was about only one person, the Army commander in chief only, and no one else. Nothing of what he was saying is included in the Governors Island Agreement. So, by saying so, President Aristide—I do not know if he has realized this—is rejecting the Governors Island Agreement because he is demanding things that are not provided for by the agreement.

[Words indistinct] President Aristide does not realize that he is violating the Constitution of this country when he asks that other people resign from the Army. I want to be clear about that. The Constitution states—he swore on the country's Constitution—that they cannot....[changes thought] that a military man (?is someone who has chosen) a career. They cannot dismiss him or pension him off before his due time without his consent. This means, as president, that there is only one action he can take within the Army and that is to appoint a commander in chief and that is it. [end recording]

This was Gen. Raoul Cedras who was attempting to correct statements made by President Aristide on 28 October at the United Nations General Assembly.

Strike Paralyzes Public Transport, Stores in Capital

FL2910191293 Port-au-Prince Radio Metropole in French 1600 GMT 29 Oct 93

[Text] Activities have been paralyzed in Port-au-Prince on this Friday, [29 October] following a call for a general strike issued by the organization Capois La Mort and the Union of Independent Drivers in order to express their rejection of the Malval government. Public transport is basically nonexistent. Several witnesses reported numerous cases of intimidation on drivers early this morning. Private vehicles are scarce and stores downtown remain closed.

The Alliance for the Liberation and the Advancement of Haiti, ALAH, has called for the formation of a new government to untangle the situation. ALAH demands the application of Article 149 of the Constitution.

Parties Form Alliance To Set Up New Government

FL2910221693 Port-au-Prince Radio Metropole in French 1800 GMT 29 Oct 93

[Text] In Port-au-Prince, a group of political parties has formed an alliance to ask the international community to close President Aristide's file. Those political parties are meeting for the moment at the Haitian Christian Democratic Party headquarters where they are forming a government whose mission will be to deal with the day-to-day matters, to complete Father Aristide's mandate, and also to ask for the support of the Army and the parliament in passing this resolution. Between now and 31 October, next Sunday, those parties plan to move into the National Palace and set up a new government. There will be more details later on Radio Metropole.

ALAH Calls for Concerted Action, 'Demands' Power

FL2910201693 Port-au-Prince Signal FM Radio in French 1800 GMT 29 Oct 93

[Report on news conference by the Alliance for the Liberation and the Advancement of Haiti by Jean Luckenson in Port-au-Prince on 28 October—recorded in Creole]

[Excerpts] [Haiti is going] from concord to concord. The Alliance for the Liberation and the Advancement of Haiti [ALAH] calls political groupings and people's organizations to concerted action on Sunday, 31 October for the formation of a Government of Super Concord. During a news conference held on 28 October, former Senator of the Republic [Reynold Georges] required the departure of UN/OAS emissary Dante Caputo on 31 October and demands power for ALAH and its allies. Jean Luckenson reports:

[Luckenson] During a news conference held on 28 October at 1130 Marcel Moise, office secretary of

ALAH, launched an urgent call to democratic sectors and political organizations to participate in a patriotic, concerted action starting on 31 October for the formation of a government of super concord.

[Moise] On 31 October, God willing, all of us must go by the National Palace in order to form a new government, to call for help in front of the National Palace, because we have had enough.

[Luckenson] Reynold Georges, ALAH leader and former senator of the Republic, forcefully condemned the attitude of the Malval government, which is under instructions from the international community to harm the Haitian people. Georges required the departure of the representative of the UN and OAS secretaries general in Haiti.

[Georges] Malval has imposed a new embargo on the embargo. [sentence as heard] This is how [as heard] I want to believe it. But when I heard Malval say the embargo had been imposed by the United Nations, I worried even more and realized that the government was not really ruling because it is a government receiving orders from foreign countries. [passage omitted]

We were ready to cooperate. But this government has violated our Constitution, for it has let foreign armies step upon the national territory. This is why we say we cannot cooperate with it. In fact, Malval resigned yesterday [28 October]. Then Caputo convened all ambassadors, had them go to Malval's home and tell him that they are supporting him.

Mr. Caputo, we are talking to you. You must manage to leave by 31 October.

[Luckenson] Georges stated that the government had been stolen from them—that is the 11 October Revolutionary Council and all other organizations affiliated to them—and that they will nevertheless take it back. But they will not negotiate with anybody.

[Georges] I told them that they had stolen the government, but one does not become the owner of something for having stolen it; and we will take it back from them. We will not negotiate with those people any longer, because they are not honest. We will show them that next week: We will take over the government. [passage omitted] We are supporting the general strike called for 29 October. [passage omitted]

[Luckenson] One minute of meditation was observed in memory of those—Dr. Roger Lafontant, Reverend Sylvio C. Claude, Justice Minister Francois Guy Malary, and so on—who fell in the democratic battle. The speakers were Jean-Rene Thomas, [ALAH] second general secretary; Reynold Georges, ALAH leader and secretary general; and Marcel Moise, [ALAH] office secretary. Several members of the party were present. Jean Luckenson for Signal FM.

Caputo Calls for Meeting of Army, Government, UN

FL2910230893 Port-au-Prince Signal FM Radio in Creole 1830 GMT 29 Oct 93

[Text] At 1730 GMT, Dante Caputo arrived at the Christopher Hotel where he had been scheduled to hold a news conference at 1600 GMT.

Journalists became impatient and were banging glasses and tables to urge Dante Caputo to make his statements. Caputo appeared and announced that a meeting will be held next week. The United Nations is already preparing the letters to be sent in the next few hours in order to hold a meeting of representatives of the Army, the government, and the international community regarding the follow-up to the application of the Governors Island agreement.

He said that the agreement would not be renegotiated but would be discussed to identify problems and difficulties. He also mentioned that he learned that opposition sectors are going to try to interrupt the process in order to apply Article 149 of the Constitution. He said that if they do, Butrus-Ghali intends to order reinforcement of the sanctions. Let us listen to Dante Caputo:

[Begin Caputo recording, in French] The UN secretary general has asked me to announce how the United Nations, after consultation with the Governments of Canada, the United States, France, and Venezuela, and after having informed the OAS secretary general, views the situation.

It is regrettable that the agenda agreed on in the Governors Island agreement has not been respected. The responsibilities for the violations of the Governors Island agreement follow from the analysis by and the decisions of the organization that deals with the problem of international peace and security. Thus, the UN Security Council clearly and unanimously established, in Resolutions 873 and 875 of 1993, the parties the Council considers responsible for violating the agreement. The criteria for verification of the agreement were established in my letter of 3 July addressed to the president of the Republic and to General Cedras. The decision to reimpose sanctions and other measures which were adopted complies with those criteria. Having examined the situation and having seen that the only acceptable framework for the UN Security Council is the one established in the Governors Island agreement, I present the international community's view of the situation and the options:

First: We have information that some sectors opposed to a democratic transition will definitely try to interrupt the process established in the Governors Island agreement. Their objective is to reapply Article 149 of the Haitian Constitution with the intent of establishing a new government under the procedure for appointing a provisional president as provided for in the Constitution. This will only constitute an attempt to simulate a democratic

transition in order to ignore the will of the Haitian people, which was expressed in the 16 December 1990 presidential elections. If this intention materializes, we warn all those involved that it will be considered a blatant violation of the Governors Island agreement. If that were to be the case, the secretary general would have no alternative to recommending that the Security Council reinforce sanctions.

Therefore, to make this situation clear: It is essential that all parties concerned in the Governors Island agreement and the New York pact express their clear opposition to such an alternative. If those who signed this agreement and this pact are acting, as they assert, in good faith and good will, we consider it indispensable that this good faith be verified by all of us and, in particular, by the Security Council.

In this context, the UN proposes that urgent discussions be held in order to resolve all the problems, relating to the implementation of this act, which were not addressed in the Governors Island agreement. The Governors Island agreement remains entirely in force as the only valid framework for the resolution of the Haitian crisis. Those discussions will not in any event have the purpose of rediscussion of the agreement; as I have just said, they will have the sole purpose of describing the remaining steps to be taken under the Governors Island agreement.

The meeting will seek the following:

a. Implementation of the international cooperation and, in particular, of the UN mission in Haiti, MINUHA, as provided in Paragraph 5 of the Governors Island agreement. These discussions should be held among the government, the Armed Forces, and the representatives of the international community.

b. All actions necessary for the implementation of Paragraphs 6 and 7 of the agreement, in particular concerning the law creating a new police force and the amnesty law, as provided in the Governors Islands agreement and the New York pact.

c. The implementation of Paragraphs 7 and 8 of the agreement, in particular concerning the anticipated withdrawal of General Cedras, the appointment of a new commander of the Armed Forces, and the appointment of a new commander in chief of the police. Those discussions should be held among the government, the Armed Forces, and the other representatives of the international community.

d. Finally: The immediate implementation of Paragraph 9 of the agreement regarding the return of President Aristide.

Within the next few hours, the United Nations will send formal invitations to all the sectors concerned in this initiative. We hope that their answer will be positive and prompt. Their answer will be brought immediately to the attention to the UN Security Council. [end recording]

Group of Parties Requests Close of Negotiations

FL3010001393 Port-au-Prince Radio Metropole in Creole 2000 GMT 29 Oct 93

[Text] Several political parties, including the MDU [Movement For Democratic Unity] of Maurepas Auguste, the MDN [Mobilization for National Development] of Hubert de Ronceray and the ALAH, Alliance for the Liberation and Advancement of Haiti, of former Senator Reynold Georges [met today]. Hubert de Ronceray criticized the United Nations and the OAS which, according to him, have failed in their mission. Meanwhile, Reynold Georges asks the Haitian Army to support them in their action.

[Begin De Ronceray recording, in French] We have agreed, first, on the idea of Aristide's not returning to the country and on the closing of negotiations regarding Aristide's return to Haiti. The second point that we have agreed on is the reactivation of Article 149 of the Constitution. As a third point, we have agreed to call other political parties to concerted action with a view to safeguarding the nation and bulding a democratic state. The solution that will be issued will probably be a clear stand against the status quo, that is, against this one-way domination of Haiti by the international community. We are certainly going to agree on a call to all the powerful forces of the country so that within the next hours, in the early hours of 31 October, the question is posed differently.

We feel that we must create the conditions for the change. We do not know exactly, with precision, what will be the quantitative and qualitative parameters of the coming minutes, the coming hours, or the coming days. However, all we can do is to create the conditions for the change. We are willing to do so. As for the content of what is going to happen, we cannot reveal that to you with maximum precision. [end recording]

That was Hubert de Ronceray from MDN, one of the participants in the meeting. Let us now listen to statements made by former Senator Reynold Georges, who leads ALAH.

[Begin recording] [Georges] We maintain that on 31 October we will form a government. Thus in "little Malval" affairs...[changes thought] therefore, we are not bluffing. If they think we are bluffing, including Caputo, they will see. Because Aristide stabbed himself on 28 October when he said that he issued the amnesty decree and when he said that it is after those guys resign that he would issue the convening decree regarding the amnesty law. He knows very well that it must be a law. All his supporters made a proposal to him, saying that it must be a law, even Clinton, Caputo, Malval, and others. He said, gentlemen, you do not know what you are doing. You well know that my mind is not quite straight, you should not support me. Therefore, I say that it is an amnesty law. Now, everyone is ashamed. I do not know what Clinton will say now. And Malval said that he would resign on 30 October. I have now heard that he

said he would not resign. I told Malval: On 30 October, do not upset me. I know what I am talking about and I do not bluff.

[Reporter] Do you think that other institutions will agree with the solution that you are suggesting? The Army, in particular?

[Georges] The Army, in particular. If the Army does not agree then the Army will have problems, because the Army cannot keep the country in crisis indefinitely. The Army is in conflict with Aristide but not in conflict with us. So the Army must support us in all these actions. I believe that is what is going to happen. The people are going to take power, and the people will take power with or without the parliament.

[Reporter] Exactly, is it the parliament that is going to apply the Article 149 you are asking for?

[Georges] With or without parliament, the safeguarding of the people is what counts for us all. With or without the parliament... [changes thought] more than two years in crisis. We can no longer take it. The parliament, well, is a parliament. Well, you understand everything. [end recording]

Army General Staff Calls for Calm, Mutual Tolerance

FL2910231493 Port-au-Prince Radio Metropole in French 2100 GMT 29 Oct 93

[Text] The Haitian Armed Forces urge the populace to maintain calm and serenity in order to facilitate reconciliation, the indispensable condition for a solution to the crisis the country faces. The Armed Forces ask every Haitian to see, in the other, a brother from the same family, and to show mutual tolerance and love on all occasions. The Haitian Armed Forces remind everyone that Haiti has a common patrimony that we all must watch over. Let us build together the better world we all dream of for our children, ends this news release from the secretary of the Haitian Armed Forces General Staff.

Groups Seek Resignation of Aristide, Malval, New Elections

FL3010163993 Port-au-Prince Radio Tropic FM in French 1100 GMT 30 Oct 93

[Text] It should be noted that on 29 October the Front for Haitian Advancement and Progress [FRAPH], a neo-Duvalierist organization, gave President Aristide until this Saturday [30 October] at midnight as the deadline for his resignation and for the beginning of the process aimed at holding new presidential elections. FRAPH also demanded the departure—after Saturday at midnight—of Prime Minister Robert Malval as well as that of the UN mediator Dante Caputo, saying that these persons were not credible anymore.

Emmanuel Constant, secretary general of the organization, stated that FRAPH and the other parties opposed to the elected president would announce their replacement strategy on 31 October at 1500. This strategy is based on Article 149 of the Constitution [providing that in case of presidential vacuum for whatever reasons, the president of the Court of Cassation or, failing that, the most senior judge of this court is invested with the executive power by the parliament as provisional president while awaiting presidential elections to be held within 90 days].

Caputo Warns Against Implementation of Article 149

FL3010165393 Port-au-Prince Radio Tropic FM in French 1100 GMT 30 Oct 93

[Text] A new series of negotiations will be initiated shortly. The purpose of this new series of negotiations remains the same: allowing the return to democratic order in Haiti. On 29 October, UN mediator Dante Caputo sent a warning to the neo-Duvalierists who threaten to implement....[change thought] who ask for the implementation of Article 149 of the Haitian Constitution.

Caputo said during his news conference that this would only constitute a democratic transition simulation attempt aimed at ignoring the willingness of the Haitian people who expressed themselves through presidential elections on 16 December 1990. We warn all those, who are concerned, that if this intention (?was turned into action), that it would be considered a blatant violation of the Governors Island Agreement. Caputo added that if this was the case, the secretary general would have no other alternative than to recommend a reinforcement of the sanctions by the UN Security Council.

Radio Reports 30 Oct 'Very Calm Day'

FL3010181793 Port-au-Prince Radio Metropole in French 1600 GMT 30 Oct 93

[Text] Today, 30 October, is a very calm day in Port-au-Prince. There are much more activities in comparison with 29 October. However, gunshots were heard in various neighborhoods of the capital.

Further on Activities

FL3010191393 Port-au-Prince Radio Metropole in French 1600 GMT 30 Oct 93

[Excerpt] It is a calm Saturday [30 October] in Port-au-Prince with—notably—activities seen in downtown Port-au-Prince even though there is no public transportation to be seen on the streets. The activities of the opposition political parties, notably the Front for Haitian Advancement and Progress [FRAPH], should be pointed out. Some hundreds of FRAPH partisans gathered in front of the premises of this party on the Champ de Mars Street and were preparing to (?demonstrate in) the streets of Port-au-Prince.

Another activity to point out is that of the clergymen who came from the United States in order to show their support to the Haitian people. These clergymen made statements in front of the Sacred Heart Church in Turgeau. [passage omitted]

Malval, Cedras Invited to UN Discussions on 3, 4 Nov

FL3010182693 Port-au-Prince Radio Metropole in French 1600 GMT 30 Oct 93

[Excerpt] [Passage omitted] It should be noted that the government has allegedly reacted favorably to the UN invitation. While expecting an official answer from exiled President Jean- Bertrand Aristide, Robert Malval's spokesman in Port-au-Prince pointed out that, as far as he is concerned, the prime minister has favorably received this initiative by the United Nations.

We learned today that the discussions, the urgent discussions required by the United Nations with the protagonists of the crisis including the military will reportedly take place on 3 and 4 November, according to what Eric Falt, the spokesman for the UN mission in Haiti, announced to the AFP. He said that the United Nations had not yet received any answers this morning.

The spokesman said that invitations were sent last night to exiled President Jean-Bertrand Aristide, who will be represented by his Prime Minister Robert Malval; to the commander in chief of the Haitian Armed Forces, General Raoul Cedras; to the president of the Senate, Firmin Jean-Louis; and to the president of the Chamber of Deputies, Dr. Antoine Joseph. He pointed out that the UN mediator, Argentine diplomat Dante Caputo, wanted an answer between now and tomorrow night [31 October], given that 1 and 2 November are holidays in Haiti.

The invitation to the two presidents of the two chambers of the National Assembly fulfills the United Nations' desire to see a sample of parliamentarians, who are representative of the various political groups, participate in the discussions that will take place in Port-au-Prince. The purpose of these discussions will be to settle the problems preventing the implementation of the Governors Island Agreement under which the constitutional president should return from exile and be back to power this Saturday [30 October].

FRAPH Threatens To Seize National Palace, Malval Residence

PA3110031093 Mexico City NOTIMEX in Spanish 0054 GMT 31 Oct 93

[Report by Lucia Prez Moreno]

[Excerpt] The political crisis in Haiti today became more complicated as a result of threats from opposition groups to seize the National Palace on 31 October to prevent the return to power of President Jean-Bertrand Aristide, whom they accuse of being a "criminal."

Jean-Claude Montalvo, one of the leaders of the neo-Duvalierist Front for Haitian Advance and Progress [FRAPH], told NOTIMEX: "We cannot permit Aristide to return to the country, because he is a criminal who supports the embargo against the Haitian people."

FRAPH has called a demonstration within the next few hours. The demonstration will be to reject what Montalvo calls "coarse intervention by the United Nations in Haiti's domestic affairs" and to oppose the return of the constitutional president. Another action scheduled to take place within the next few hours is the siege of the residence of Haitian Prime Minister Robert Malval to force him to resign, despite the fact that Aristide appointed him to that post.

The opposition forces are demanding the implementation of Article 149 of the Haitian Constitution. This article calls for the appointment of the president of the Supreme Court of Justice—in this case, Emile Jonassin—to the post of president in case of the absence of the constitutional president.

Jonassin was forced into retirement by Aristide at the beginning of October, but the Armed Forces say he is remaining in his post. [passage omitted]

Armed Forces 'Deny' U.S. Senate Report Drug Accusations

PA2910173893 Paris AFP in Spanish 1649 GMT 29 Oct 93

[Text] Port-au-Prince, 29 Oct (AFP)—The Haitian Army formally denied today accusations made in a U.S. Senate report that it was involved in drug trafficking.

The Armed Forces "formally deny the information stating that the standard of living of high-ranking Army officers depends on drug trafficking," a communique released in Port-au-Prince revealed. The communique stressed the "excellent cooperation" between the Army and North American information services and regretted that they have not deemed it "necessary" this time to share "information that may have been of great importance." Drug Enforcement Administration (DEA) agents in Haiti have not had security problems and this was never mentioned by the DEA or the U.S. Embassy, the communique reported.

Regarding Colombian national Fernando Burgos, who, according to the Senate report controlled the bribes, the Army stated he has lived in Haiti since 1984 and has been arrested and even questioned several times by the DEA.

Meanwhile, Lieutenant Colonel Joseph Michel Francois, Port-au-Prince police chief, denied the accusations and "urged" deposed President Jean-Bertrand Aristide "or any other slanderer" to prove the charges. Francois stressed that the supporters of Aristide "use the drug trafficking accusations" because they are hopeless and lack truthful arguments.

Regional Association Trying To Resolve Problem With NAFTA

PY2910153693 Madrid EFE in Spanish 2158 GMT 28 Oct 93

[Text] Montevideo, 28 Oct (EFE)—The 11 members of the Latin American Integration Association (LAIA) are promoting a negotiated solution for overcoming the situation that might be created by Mexico's possible membership in the Free Trade Treaty (TLC), whose terms contradict LAIA's charter, said Brazilian Antonio Antunes, LAIA secretary general, on 28 October.

Article 44 of the 1980 "Treaty of Montevideo," which created LAIA, states that if a member grants special commercial benefits to a nation other than a LAIA member, such benefits should automatically also apply to the association's other 10 countries.

The TLC sets forth that its members—Canada, the United States, and Mexico—should grant each other mutual benefits to promote their commercial relations.

"A work group made up of all LAIA members has been created within LAIA, at the request of Mexico, to search for a solution to the matter," Antunes said during a meeting with representatives of international news agencies.

"This group shows the goodwill of Mexico and the other LAIA members toward finding a solution that should benefit everyone," Antunes said.

Representatives from Argentina, Brazil, and Mexico have submitted different draft documents on the subject.

"The group has thus far held four meetings, and the fifth one is scheduled for 8 and 10 November in Montevideo," Antunes noted. "All LAIA members want to have a preferential relation in the future with big markets like the United States and Canada, and rather than trying to solve Mexico's particular situation, the work group is seeking to reach a juridical agreement that can be added to the 'Treaty of Montevideo' and can include all LAIA members."

Antunes noted: "Mexico never considered the possibility of withdrawing from LAIA in case its position is not taken into account, while LAIA members are willing to take into account Mexico's interest, for which reason there are good possibilities of reaching an agreement."

LAIA, whose headquarters are in the Uruguayan capital, is made up of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

Business Leader Says Nation Can Survive Without NAFTA

PA3010025493 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 29 Oct 93

[From "Plenty of News" newscast—live relay by Mexico City XHTV Television Network]

[Text] In the event the North American Free Trade Agreement [NAFTA] does not go into effect, Mexico has other international options, says Mexican Employers Federation President Antonio Sanchez Diaz de Rivera. Sanchez said that with or without NAFTA, Mexico is economically viable.

[Begin Sanchez recording] Should there be no treaty, we will know where we stand and what path to follow. Mexico can survive. It is already becoming a viable country, internationally speaking. [end recording]

During a news conference, Sanchez advocated actions that would not depend on NAFTA's confirmation. He said several projects are still pending, such as the updating of the Federal Labor Code and the modification of the Foreign Investment Law. Sanchez said the blockade operation along the northern border is a form of pressure concerning NAFTA.

Sanchez outlined this year's economic, political, and social efforts. He said current economic policy has raised confidence and led to economic reactivation.

Stock Market Expected To Withstand NAFTA Defeat

PA3010032893 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 29 Oct 93

[From "Plenty of News" newscast—live relay by Mexico City XHTV Television Network]

[Text] There will be no flight of capital if the North American Free Trade Agreement [NAFTA] is not approved, according to Mexican Stock Exchange President Manuel Robleda.

During the third and final day of work for the International Stock Commissions Organization, Robleda said the 32-point drop on the Mexican Stock Exchange is a investor normal response to doubts raised by the Canadian Government concerning NAFTA. He said that if the treaty is not confirmed within the established time frame, there will be no flight of capital because national and foreign investors who trade on the Mexican Stock Exchange have long-term investments.

[Begin Robleda recording] As I have said, investors who invest in the Mexican Stock Exchange have examined the situation and have considered all these possibilities. I do not believe a sharp plunge in the market is very feasible. [end recording]

Mr. Robleda informed the international financial community that to create a more efficient self-regulating system as of 1994, the Mexican Stock Exchange will operate with a self-regulating committee.

[Begin Robleda recording] This committee will mete out sanctions such as warnings, temporary suspensions, or definitive suspensions or exclusions, depending on the seriousness of the infractions committed and their effects. [end recording]

Through this mechanism, he said, investors will be provided with greater security and protection. October 28th was the final day of the 18th Annual Conference of International Stock Commission Organizations.

Costa Rica

Calderon Laments U.S. 'Aggression'; Letter Sent to Clinton

PA3010232293 Panama City ACAN in Spanish 2039 GMT 30 Oct 93

[Text] San Jose, 30 Oct (ACAN-EFE)—Today, upon his return from Guatemala where he participated in the 14th Central American Presidential Summit, Costa Rican President Rafael Angel Calderon said he is disillusioned with the United States because of the pressure it is exerting on the nations of Central America.

After arriving at San Jose's Juan Santamaria International Airport, Calderon said that within 172 years of republican life in the region, Central American nations "have never made so much progress in the fields of democracy and human rights" as they have during the past few years. "Despite this," he noted, "never before have the countries of the region faced so much aggression from U.S. State Department officials and from the U.S. Government as in recent times."

Calderon explained that for this reason the Central American presidents have sent a letter to their U.S. counterpart, Bill Clinton, calling for his "personal" attention to rectify what Calderon described as "a grave situation." Without mentioning them by name, Costa Rican president's comments alluded to charges from U.S. labor unions against his country and Guatemala over an alleged lack of respect for workers rights. Another conflict upsetting U.S.-Costa Rican relations is the expropriation of land from a U.S. citizen in northern Guanacaste Province. This land has been designated to become a national park. Because of the expropriation, a $10 million U.S. AID credit has been frozen.

The Costa Rican president said he is "very satisfied" with the region's progress in working toward integration, adding: "The dialogue approach has won." He said he is also very pleased with the agreements reached in favor of Central American trade.

Calderon noted that Costa Rica has been given an opportunity to decide on when to sign up for the integration of some of the nation's more deficient economic sectors, as well as freedom to sign bilateral agreements with countries from outside the region.

El Salvador

Second FMLN Leader Slain Within Week

PA3110000693 Mexico City NOTIMEX in Spanish 2243 GMT 30 Oct 93

[Text] San Salvador, 30 Oct (NOTIMEX)—Forensics sources have disclosed that former guerrilla Commander Heleno Castro was killed today in central San Vicente Department in a second murder of a leader of the one-time Salvadoran rebel movement.

Heriberto Lopez Romero, head of the San Vicente Forensics Office noted in a telephone conversation with NOTIMEX that the politician was murdered at approximately 0800 (1400 GMT), near the 65-km marker of the littoral highway. The attack took place while Castro was heading toward a meeting with grass-roots peasant organizations and EC representatives in the Usulutan Department, one of the participants to the meeting indicated.

"When he did not arrive, we became a bit concerned and after searching for him we realized he had been murdered," one of the meeting participants disclosed.

According to a preliminary examination, the opposition leader, who was known as former "Commander Carmelo," died of three gunshot wounds. Authorities have no information on the identity of those involved in the attack against the former guerrilla commander.

Castro was member of the Political Board and responsible for agrarian affairs of the People's Revolutionary Expression (ERP), one of the five organizations that form the Farabundo Marti National Liberation Front (FMLN). The FMLN leadership has abstained from making any public statements regarding Castro's murder, the second murder of an FMLN official within a week.

This past Monday, former Commander Francisco Velis was murdered by two unknown men who shot him in the head while he was taking his daughter to a day care center located in the northwestern sector of San Salvador.

FMLN Vows Not To Permit Killing of Any More Leaders

PA3110031693 Panama City ACAN in Spanish 0057 GMT 31 Oct 93

[Text] San Salvador, 30 Oct (ACAN - EFE)—The former Salvadoran guerrilla organization Farabundo Marti National Front [FMLN] stated today that it will not permit "any additional killings" of its leaders. This was announced following the slaying of another former FMLN commander, the second such killing in less than a week.

In a local radio statement, Juan Ramon Medrano, an official spokesman for the FMLN, which is now a political party, asked the members of this organization "to be vigilant while the situation is being evaluated" in the wake of today's assassination of Heleno Hernan Castro.

This former FMLN commander, whose nom de guerre was Commander Carmelo, was shot by unknown gunmen on a rural road four days after the killing of another FMLN cadre, Francisco Velis, who was killed in San Salvador in front of his one-year-old daughter.

Government Condemns 30 Oct Slaying of FMLN Leader

PA3110032393 Panama City ACAN in Spanish 0155 GMT 31 Oct 93

[Excerpt] San Salvador, 30 Oct (ACAN-EFE)—The Salvadoran Government has strongly condemned the assassination of former guerrilla Commander Heleno Castro, whose body was found today with three bullet wounds on a highway in the country's central area.

A short communique released by the Salvadoran Presidency's Communications Secretariat also said that "instructions have been given for a thorough investigation" of the murder. This is the second assassination of a former guerrilla commander is less than a week. [passage omitted]

Guatemala

Congress Approves Constitutional Reforms Package

PA3010012393 Mexico City NOTIMEX in Spanish 2336 GMT 29 Oct 93

[Text] Guatemala City, 29 Oct (NOTIMEX)—During a second debate in an emergency session, the Guatemalan Congress today approved constitutional reforms that take power away from the executive and, in special cases, put the Army under legislative control.

The package of reforms that amends 68 articles of the Constitution was approved by 84 of the 116 deputies in Congress, more than the two-thirds necessary for the approval of such a proposal. Among other things, the amendments call for shortening presidential terms from five to four years; creating a Ministry of the Presidency; and, in cases involving problems in public order, placing the Army under the direct authority of Congress.

Congress President Fernando Lobo Dubon, of the Christian Democratic Party, has called for a meeting of deputies next Wednesday to approve the amendments package one article at a time. The deputies decided to approve the overall package "come hell or high water" after human rights defenders have spent the past four days occupying the Congress building with groups blocking the building's entrance. Today, the deputies had to meet in darkness. Night is the only time when the demonstrators move away from the building's entrance, because electricity is cut in the area in which the Congress building is located.

The package was approved a month before the referendum requested by President Ramiro de Leon Carpio is scheduled to be held. Through the referendum, the people will decide whether or not the deputies should resign. The deputies exhausted all legal resources with the bodies in charge of administering justice in an effort to prevent the referendum, which is scheduled for late November.

After the deputies' resolution was made known, presidential spokesman Felix Loarca said the deputies "are seeking to perpetrate a technical coup on President de Leon Carpio."

Following the referendum, De Leon intends to present to Congress his own proposals for amending the Constitution.

Honduras

3-80 Northern Front Issues Communique in Miami

PA2810180293 Tegucigalpa LA TRIBUNA in Spanish 26 Oct 93 p 6

["Text" of communique issued by 3-80 Northern Front in Miami; date not given]

[Text] 3-80 Northern Front Communique

The 3-80 Northern Front informs the Nicaraguan people and the international community of the following recent events that have taken place in the northern part of our country:

1. The Sandinist People's Army [EPS] has launched its announced offensive against the democratic and liberation forces of the Nicaraguan people and the peasants' sector represented by the 3- 80 Northern Front. This campaign of land devastation, genocide, extermination, death, torture, imprisonment, and missing persons has been launched against the defenseless civilian population, particularly against women, children, and senior citizens in the EPS' longing to silence the people's desire for liberty.

2. In the aforementioned operation they [EPS] are making use of all their military equipment. They are using Antonov planes (Soviet manufactured), as well as MI-17, MI-24, and MI-25 helicopter gunships. These forces have dropped 500- and 1,000-pound bombs on and have fired Katyusha rockets at the civilian population in Guano, Guanito, El Rosario, Chachagua, Congoja, Bana Centro, El Moradito, Guapinol, Guapinolito, and other small communities.

3. The rapid deployment Benjamin Zeledon Brigade, made up from hand-picked members of the state security apparatus, is spearheading this genocide operation. Its members—dressed in black with their faces painted and their commanders masked—jump from helicopters annihilating the civilian populating. During the operation so far, approximately 100 persons have been captured and more than 25 have been reported missing.

4. Special engineer forces have resumed mining the border zone with Honduras, in the area between Jalapa-Poteca and the Coco River.

5. The exodus of peasant families to Honduras has been resumed. During the (23-24 October) weekend, more

than 150 persons entered the Arenales and Espanola areas in Honduras. Honduran Government and Red Cross authorities have mobilized aid efforts.

6. EPS troops and planes have entered Honduran territory, violating once again this brotherly nation's sovereignty.

Therefore,

1. We report to the world this ominous genocide perpetrated by Sandinism and authorized by the Chamorro cogovernment.

2. We demand President Violeta Chamorro put an end to this genocide against the northern and central Nicaraguan civilian population.

3. We demand National Opposition Unity intervention to stop the Sandinist massacre and bombings of the civilian population.

4. We request the immediate presence of a CIAV [International Commission of Support and Verification]-OAS delegation and of local and international human rights commissions in the areas indicted to verify the violations reported.

5. We alert the Honduran Government not to allow the EPS to violate its sovereignty and we express our appreciation for the help offered to the civilian population that fled.

6. We make it known that Commander Jose Angel Talavera, chief of staff of the 3-80 Northern Front, has been in combat daily these last two weeks, leading his troops in repelling the Sandinist offensive. His presence in this struggle is the result of President Violeta Chamorro's act of treason against the Nicaraguan people when she failed to comply with the people's mandate that took her to power. We are the first to regret the breaking of peace; however the co-government's inflexible attitude has prompted our weapons to be the sole alternative in achieving an overall solution to the national crisis.

[Signed] Horacio Castro—Commander Fernando, 3-80 Northern Front

[Issued] 10404 West Flager Street

Managua Trade Center

Miami, FL 33174

Nicaragua

UNO Members Comment on Faction's 'Internal Crisis'

PA3010025693 Managua Canal Cuatro Television in Spanish 0300 GMT 28 Oct 93

[From the "Extravision" newscast—passages within quotation marks recorded]

[Text] The National Opposition Union [UNO] is facing its worst internal crisis ever. Dr. Miriam Arguello says three parties may separate from the political bloc. Those parties are the Conservative Popular Alliance, the Nicaraguan Democratic Movement, and the Christian Democratic Union [UDC]. A source refers to the situation.

[Unidentified speaker] "Nothing has proven so divisive for UNO as the constitutional reforms or the constituent assembly issue, depending on the political interests of the individuals involved. For example, today is the second straight day in which the UNO faction has walked out of the plenum and the UDC faction has been completely absent, perhaps to avoid making fools of themselves as they do every day. The UNO coordinator has dismissed the possibility of a schism within the coalition."

UNO Coordinator Dr. Edmundo Castillo [title as heard] said the following.

[Castillo] "There has never been a division within UNO. As a democratic faction, we have views and we discuss them."

Dr. Miriam Arguello bravely disclosed that at least three parties are about to return to the plenum to begin discussing the reforms they pledged to make during the electoral campaign.

[Arguello] "I cannot answer you about a decision on any specific action, because I am not aware of such a plan.

[Unidentified reporter] "Might these three parties return to the plenum to ensure there will be sufficient assemblymen to initiate the discussion of the reforms?

[Arguello] "Our plan is to do what is best for the Nicaraguan people. That is the case with my party, at least. I cannot speak for the other two, although I am sure that is also their goal. Because UNO wants everything to be clear, we have disclosed that the proconstituent assembly movement is backed by people seeking seats [curuleros] within the assembly. It is a seat-seekers' movement. Their sole interest is to have a seat in a future assembly, which was clearly proven by the article published yesterday in EL NUEVO DIARIO by Dr. Adolfo Calero Portocarrero."

The ever-cautious UDC hinted at a possible division. UDC Deputy Armando Zambrano said the following.

[Zambrana] "We agree that UNO should participate, but we also know that in the end we must not find ourselves at the end of the day waiting for stars to fall from heaven and turn into pearls. We must seek a solution—an appropriate UDC alternative."

National Assembly President Gustavo Tablada disclosed that secret meetings have been held.

[Tablada] "I have not had direct contact with them [not further identified], but unofficial meetings have been held with some."

On 29 October, the UDC will summarize its position concerning the National Assembly problem and other topics, although the party is not expected to announce its withdrawal from UNO. Nevertheless, as the UDC spokesman said, the decisive day is approaching.

Rejects UDC's Proposal

PA3010020593 Managua Canal Cuatro Television in Spanish 0300 GMT 29 Oct 93

[From the "Extravision" newscast—passages within quotation marks recorded]

[Text] Today, the National Opposition Union (UNO) rejected a Christian Democratic Union (UDC) proposal to resolve the nation's political crisis. The UDC issued a new document in which it spells out its position on how to resolve the political crisis—a crisis in which Nicaragua has been entangled for three years.

The UDC indicated that part of Nicaragua's problem should be resolved through reforms to the Constitution and not through a constituent assembly, as proposed by some other UNO political parties. The reforms proposed by the UDC have the backing of the Conservative Party, Miriam Arguello, and the Nicaraguan Democratic Movement. These reforms include topics that range from no presidential reelections to the protection of the environment. The UDC also indicated it is necessary to repeal some measures in force and to enact others. Among measures that the UDC believes need to be adopted is one that will put a end, once and for all, to the property problem.

Nevertheless, reforms to the Constitution remain the focus of the UDC's overall position, and, according to UDC leaders, these reforms should be initiated before 10 December. Seven UNO parties do not agree with these reforms. Here is what Azucena Ferrey, UDC leader, said:

[Ferrey] "It appears that a forecast made by a U.S. official will unfortunately become a reality. In the end, [words indistinct] always prevails. That will [words indistinct] in chaos. A responsible agreement must be reached by the parties that comprise UNO on fostering a change of their deputies, because this is an internal problem that should not have an adverse affect on the entire country. Those political parties that do not feel represented by their deputies have to resolve this internally, within their party. There is no reason to subject the nation to greater destabilization than that which we currently face. We must start asking: What is the feasibility of the solutions being presented?"

Luis Humberto Guzman confirmed that neither these reforms nor a national agreement can wait any longer.

[Guzman] "The statement by our party, the UDC, makes a firm commitment with these proposals. This is the UDC's position, because the party is aware that it is not the one demanding the timetable but, rather, the timetable is demanded by the nation's urgent needs."

The first stumbling block the UDC must overcome is UNO, which rejected the UDC proposals a half-hour after they were announced. Here is what UNO National Coordinator Roger Mendieta Alfaro [title as heard] said:

[Mendieta] "Because this is a proposal that does not have the consensus, it does not have approval of the other political parties. From a political point of view, this is its weak side—that is, its acceptance by the other political parties."

This weekend UNO will hold a closed-door meeting that is expected to be tumultuous. At this session, many decisions will be made, which will include the separation of the [words indistinct] from the current political coalition.

Agrees to 'Partial Reformation'

PA3110185093 Paris AFP in Spanish 1722 GMT 31 Oct 93

[Text] Managua, 31 Oct (AFP)—Partisan sources disclosed today that the National Opposition Union (UNO) has agreed to promote the "partial reformation" of Nicaragua's political Constitution as proposed by the Sandinist National Liberation Front (FSLN) to resolve the country's political crisis, thereby relegating to a second place its theory of convening a constituent assembly.

The agreement signed yesterday by the 10 political parties that form the UNO establishes 30 November as the deadline for a consensus among the political forces concerning the reforms; if a consensus is not achieved, UNO will return to its original position and "demand that elections be convened for a National Constituent Assembly," a UNO communique states.

Congress, which has been partially paralyzed since September due to internal disagreements, is controlled by the Sandinists and a splinter group that broke off from the UNO; together they hold 47 of the 92 seats in Congress, enough to approve laws. Heretofore, the UNO had stressed its desire to recover the 50-seat majority it obtained in the 1990 elections but lost last year when eight congressmen separated and formed the self-styled Center Group, which supports President Chamorro at Congress.

In its resolution the UNO stresses that any bill of amendments that is presented to Congress prior to 30 November without UNO "consent" will not be supported by any of its 10 member parties. In September the FSLN proposed the negotiation of a series of constitutional reforms as a step toward achieving a national agreement. The UNO's change of position regarding the reforms came two days after the Christian Democratic Union (UDC), a member of the coalition, presented a group of measures aimed at achieving a "national agreement of governableness."

Among the proposals presented by the UDC in addition to the constitutional amendments is the withdrawal of

Army chief General Humberto Ortega and former intelligence services chief Lenin Cerna on 25 April 1994. According to UDC leaders, their party is trying to achieve a basic consensus by eliminating the obstacles that are hindering the solution of the country's political and socioeconomic crises.

Government To Promote 1994 Rural Credit Initiative

PA2910233293 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 26 Oct 93

[Report by Maria Elsa Suarez; from the "National" newscast]

[Text] On 26 October Presidency Minister Antonio Lacayo announced that the government will promote a rural credit initiative in 1994 with an investment of 24 percent more funds from abroad into the financial system and 41 percent more public funds. This was announced to the Latin American and Caribbean delegates who are attending the seventh Government Consultative Meeting on the Follow-up of the World Conference on Agrarian Reform and Rural Development.

[Begin recording] [Suarez] Presidency Minister Antonio Lacayo inaugurated today the seventh Government Consultative Meeting on the Follow-up of the Agrarian Reform and Rural Development World Conference in Latin America and the Caribbean. Lacayo discussed the government's efforts regarding agrarian reform before delegates from 25 countries. He said that an unconventional and ambitious rural credit plan will be implemented in 1994 with future loans from the World Bank and the IMF, coupled with funds from commercial banks.

[Lacayo] The signing of a new agreement with the IMF and the World Bank in the coming week will provide our country with a flow of foreign aid in 1994 greater than that available in 1993. This will inject 24 percent more resources into our economy than in 1993.

[Suarez] The allocation for public investment programs will be 41 percent greater in 1994 than in 1993. These programs will seek to reduce the high unemployment rate. Lacayo urged the government to reach a national consensus with the UNO [National Opposition Union] and the FSLN [Sandinist Front of National Liberation] to present themselves as a solid bloc before the international community.

[Lacayo] A national agreement that will allow us to begin a serious and calm process to reform our Constitution, which, as the Magna Carta and fundamental structure of our legal system, should be a source of national unity and reconciliation among all. This is why it should have the clear consensus of our political forces.

[Suarez] Jose Bohanerges Matus, director of the National Institute for Agrarian Reform, announced a $58-million credit granted by the World Bank.

[Matus, in progress] ....of which $31 million are allotted to legalizing and formalizing property ownership. The remaining $27 million will be assigned to a system for the development and transfer of technology.

[Suarez] He told Latin American delegates that 1 million manzanas of land have been turned over in Nicaragua in only three years, benefiting thousands of families and demobilized fighters. The policies for 1994 will have a positive impact on rural development. Dr. (Marcos Ling), representative of the UN Food and Agriculture Organization [FAO], reiterated FAO's permanent commitment to lend assistance to governments that are trying to overcome rural poverty. [end recording]

Panama

Not Enough Drug-Trafficking Evidence Against Legislator

PA3010010693 Panama City LA PRENSA in Spanish 29 Oct 93 p 2A

[Report by Lastenia Murillo Munoz]

[Text] Deputy Attorney General Bolivar Davalos said yesterday before the Legislative Assembly Drug Commission that the Attorney General's Office does not have enough evidence to begin an investigation of Legislator Anel Ramirez, who is imprisoned in the United States for drug trafficking.

Both Bolivar Davalos and Emilio de leon, Chiriqui Province district attorney, were summoned before the commission to answer a questionnaire on the Attorney General's Office's knowledge of Ramirez' alleged participation in drug trafficking.

For Davalos the evidence presented by the Legislative Assembly to the Attorney General's Office on the investigation conducted by the Commission that traveled to Tampa, Florida, is not enough.

In addition, he stated that as long as a formal suit against the Labor Party (Pala) legislator is not filed before the Attorney General's Office, his office will not conduct an investigation, "because we would be violating the assembly's internal regulations."

Meanwhile, Emilio de Leon informed commission members that he had delivered to Legislator Leo Gonzalez—when he served as Drug Commission chairman—a list of 200 people involved in the sale and trafficking of narcotics in Chiriqui Province.

De Leon said that Anel Ramirez' name was included in that list. He added that at that time he did not say anything to legislators, "because it was only a list and the timing was not right, given that the legislators were discussing another affair in Chiriqui."

The district attorney concluded that at this time the case, which has 12 volumes, is at a critical stage, because the judge of that province has requested an additional investigation.

Supreme Court Elects New President

PA3010025893 Panama City Telemetro Television Network in Spanish 1730 GMT 29 Oct 93

[Report by Julia Alvear, including telephone interview with Supreme Court President Carlos Lucas Lopez in Panama City, from the "Telemetro Reports" newscast—live]

[Text] [Alvear] A plenary meeting of the Supreme Court of Justice has just ended. Arturo Hoyos, member of the Contentious-Administrative Court, was elected president of the Supreme Court for 1994-96. The election was carried out in compliance with Article 88 of the Judicial Code.

We will now interview current Supreme Court President Carlos Lucas Lopez, whose term will end on 31 December. Can you tell us more about what took place at the plenary session of the Supreme Court of Justice?

[Lopez] A plenary session of the Supreme Court of Justice ended a few minutes ago to elect the Board of Directors for the next two-year period, which begins on 1 January 1994. As you know, Arturo Hoyos, member of the Third Contentious-Administrative Court was elected president. Jose Manuel Faundes was elected president of the Penal Court, and Rodrigo Molina president of the Civil Court. In addition, Magistrate Jose Manuel Faundes also was chosen vice president of the Supreme Court of Justice.

In this manner, the court has complied with Judicial Code regulations calling for the election of board members every two years in October.

[Alvear] Earlier, we interviewed Hoyos, who said he will maintain the same policy of modernization and separation of state branches.

Argentina

Envoy To U.S. Urges Ending Subsidies Throughout Americas

PY3010214093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1929 GMT 29 Oct 93

[Text] Buenos Aires, 29 Oct (NA)—In Washington today, Argentine Ambassador to the United States Raul Granillo Ocampo asked U.S. Secretary of Agriculture Mike Espy to declare all the Americas a "region without subsidies."

Granillo Ocampo and the U.S. official adddressed the situation of the Uruguay round of GATT talks, the export subsidies affecting Argentina, and other bilateral issues.

On behalf of the Argentine Government, the ambassador asked that all the Americas be declared a "region without subsidies," according to a press communique released in the U.S. capital. Granillo Ocampo also emphasized the "negative effect" that the EEP (Export Enhancement Program, subsidies to U.S. farm exports) have on Argentine markets. He also warned about the problem caused by the "buy national" campaign of the U.S. tobacco industry, and about the problem of meat processed at low temperatures.

Concerning the Uruguay round of GATT talks, Argentina reiterated its position in favor of finalizing it on 15 December 1993, as scheduled, and asked the United Stated not to implement the Blair House agreement. Granillo Ocampo and Espy finally agreed to maintain future talks about the subjects that they analyzed.

Menem Notes Country 'Could Avoid' Plebiscite on Reform

PY3010015993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1142 GMT 29 Oct 93

[Excerpt] Buenos Aires, 29 Oct (NA)—President Carlos Menem has stated that if the bill on constitutional reform passed by the Senate last week were to be carried "by two-thirds" of the Chamber of Deputies, "the plebiscite would serve no purpose."

He pointed out that "if things become settled, God willing, we could avoid the plebiscite, but let us see what happens."

The head of state, speaking on television yesterday evening, criticized the Radical Civic Union's [UCR] opposition to the constitutional reform and the plebiscite, and wondered what party was more democratic, the UCR or the PJ [Justicialist Party].

He asked: "Which party is more democratic: the UCR, which executes its leaders if they happen to disagree, or the PJ, which allows its members and leaders to get their own back?"

Concerning this, he said that for the PJ "people are more important than the party."

"The UCR is mired in a sea of contradictions with no course out; this confuses both UCR members and the rest of the Argentine people," he said.

Menem stated that he understood the stance adopted by the leading opposition party "because they have their own personality."

"Party discipline is very strict. Cordoba Governor Eduardo Angeloz himself told me so when we met 26 October," he noted.

He recalled Angeloz's words during this meeting: "I am a reformer, but I have to toe the party line."

"Whereas we answer to the people. Politicians should devote themselves to the people who vote for them rather than to their parties," he underscored. [passage omitted]

Six Opposition Deputies Call for Menem's Impeachment

PY3010222093 Buenos Aires BUENOS AIRES HERALD in English 30 Oct 93 p 11

[Text] (DYN-NA)—Six opposition deputies yesterday introduced a measure calling for the impeachment of President Carlos Menem on the grounds of abuse of authority.

Radicals Pedro Novau, Juan Pablo Baylac, Eduardo Santin, Conrado Storani Jr., and Carlos Koth and the Frente Grande's Carlos "Chacho" Alvarez accused the President of violating the Constitution through his partial enactment of the Pension Reform and the Consumer Defence laws.

In a statement the legislators charged that Menem "under the guise of a partial veto has partially enacted numerous laws."

The deputies charged that in doing so the head of state violated the separation of powers as outlined in Article 72 of the Constitution and "diminishes the value of the congressional opposition's work" at seeking consensus on proposed legislation.

The document concluded with the warning, "When the (Executive) Branch goes beyond the limits in its practices it loses its senses, it leans not a few times on corruption and the suppression of citizens' rights, assuring only its desires at the cost of the entire community."

UN Security Council Membership Approved; To Begin 1 Jan

PY3010222393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1930 GMT 30 Oct 93

[Text] Buenos Aires, 29 Oct (NA)—Diplomatic sources have announced that Argentina will join, for the seventh

time, the UN Security Council as a nonpermanent member, for a period of two years beginning 1 January 1994.

Emilio Cardenas, Argentina's representative to the United Nations, will represent the country at the Security Council.

Argentina will therefore again take up a privileged position next to the "five great powers"—the United States, France, the United Kingdom, Russia, and China—in a forum which, from the time of the establishment of the new world order, has decided to mount peacekeeping missions such as those currently deployed in Yugoslavia, Somalia, and Haiti.

Argentina's return to the UN Security Council was approved, with 169 votes in favor, in a secret ballot carried out at the General Assembly in New York. Argentina's candidacy for replacing Venezuela at the Security Council had been previously approved by the Group of Latin American and Caribbean Countries (GRULAC).

Cardenas said that his work "will be naturally different" after Argentina takes its seat at the Security Council.

"The crises affecting international peace and security are increasingly complex. Besides, the diversity of the cases creates unprecedented levels of demand," the ambassador said. Rwanda and the Sultanate of Oman were also designated nonpermanent members, in addition to Argentina. A runoff election will be necessary to choose those who will occupy the remaining two seats, which are being disputed by Guinea-Bissau, Nigeria, the Czech Republic, and Belarus.

The UN Security Council has 15 members, five of them with veto power (United States, China, Russia, Great Britain, and France) and 10 nonpermanent members. Five of them—Venezuela, Hungary, Morocco, Cape Verde, and Japan—will withdraw at the end of the year. The other five members will continue participating in the Security Council until the end of 1994. They are Brazil, New Zealand, Pakistan, Djibouti, and Spain.

Argentine-UK Defense Officials Study Contacts

PY3010165193 Madrid EFE in Spanish 2354 GMT 29 Oct 93

[Text] Buenos Aires, 29 Oct (EFE)—Argentine and British defense officials met in Buenos Aires today to begin analyzing a possible resumption of military contacts between the two countries, which was interrupted in 1982 as a result of the Malvinas Islands war.

The Argentine news agency TELAM reported that such a possibility was analyzed during a meeting between Virgilio Beltran, defense policy and strategy under secretary, and Colonel Robert Lawson, military attache to the British Embassy in Buenos Aires.

During the meeting the two officials analyzed the organization and structure of the two countries' Defense Ministries and their joint experiences in UN peacekeeping missions.

These contacts are occurring when a commission of British police agents is studying in Buenos Aires reports of alleged crimes committed by members of the UK military forces during the war for the possession of the islands.

The investigation began in 1991 after British paratrooper Vincent Bramley said in his book "Tour to Hell" that various Argentine soldiers were executed following the Mount Longdon [as received] battle.

Finance Secretary Notes Compliance With IMF Targets

PY2910140393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0004 GMT 29 Oct 93

[All figures as received]

[Text] Buenos Aires, 28 Oct (NA)—Finance Secretary Ricardo Gutierrez today announced that Argentina amply exceeded the targets agreed upon with the IMF for the third quarter of the year with a surplus of $422 million more than the target.

Gutierrez also pointed out that the country will punctually meet the targets established by the IMF for this year.

The IMF established that Argentina show a $4.4 billion surplus, not including the returns from privatizations.

Gutierrez stated: "The economic team is working within the framework of a totally balanced budget."

He noted that the primary surplus in the third quarter—not including profits from privatizations—totalled $1.6721 billion, whereas the IMF's requirement was $1.250 billion. The total surplus adds up to $1.8262 billion if returns from privatizations are taken into account—$154.1 mi[illegible]

The state collected $3.6065 billion in social security contributions, while savings totaled $1.1647 billion.

The fiscal surplus in August added up to $876.7 million without including returns from privatizations. The funds generated by the sale of state-run enterprises increased that figure to $1.009 billion

In September, figures dropped a bit and the surplus stood at $684.9 million (there was no income from privatization), $133 million less than the previous month.

The official reiterated that President Carlos Menem's request to reduce budgeted expenses 10 percent will be complied with, adding that incredulous people will see this achievement at the end of December.

The president asked all national management departments to reduce expenses budgeted for this year by 10 percent, enabling the Economy Ministry to automatically reduce by this percentage from the departments that refuse to enforce the reduction.

Gutierrez reported that a new IMF mission will arrive next week to check compliance with third quarter targets.

The official, who is one of the main assistants on Economy Minister Cavallo's team, this afternoon held a news conference during which he officially reported cash account figures for the third quarter.

He said that as of 3 November, the economic team and the IMF delegates will begin analyzing the targets to be met next year.

Bolivia

Controversy Over Presence of U.S. 'Troops' Discussed

PY2910141593 La Paz Television Nacional Network in Spanish 0100 GMT 29 Oct 93

[Excerpt] Once again we must talk about the issue of U.S. troops in our country. This topic does not seem to want to go away. Are we talking about troops, instructors, soldiers? Are they armed? What are they doing? The controversy is again a hot issue in Congress. Congressmen have opposing positions, despite our lengthy experience on the issue, not as a matter of principle, however, but as a matter of government and opposition.

Guillermo Bedregal, president of the Chamber of Deputies and a member of the ruling coalition, a few days ago condemned the presence of U.S. troops in our country:

[Begin recording] It is a [word indistinct]. The government, the Executive Branch is responsible. [end recording]

The foreign minister said the U.S. mission only includes technicians who are not necessarily armed and who cannot be classified as troops according to the Armed Forces organic law. Therefore, he said, there is no need for congressional authorization.

[Begin Deputy Fernando Kieffer recording] The entry of any foreign military mission into the country, whether it is as officers assigned to joint operations or to participate in them as advisers, or in any similar type of program must have congressional approval. The government must give precise explanations as to the reason for their presence and the time they will remain in the country. The issue is not a problem at the congressional level. What has never been resolved is the government position regarding the U.S. Embassy. We have seen that it again has been able to impose its criteria and disembark the troops. I say they were able to disembark because they arrived without warning. The information I have is that they are arriving not only on military planes but also on commercial flights. Their behavior is shameful. I think we cannot accept or condone this attitude. [end recording]

Fernando Kieffer's position is understandable because he belongs to the opposition. But what is the opinion of Edil Sandoval, Chamber of Deputies Constitutional Committee president and a MNR [Nationalist Revolutionary Movement] member?

[Begin Sandoval recording] There have been previous attempts to define the word troops in the Armed Forces law. The definition of troops, according to this law, includes all components of a military force, be they technicians or armed soldiers. There is a general consensus that the word troops includes those in uniform in the service of a certain country and who belong to that country's Armed Forces. I think they must be considered troops. [end recording]

A group of 51 U.S. soldiers already have arrived in Cochabamba, without their weapons, while congressmen discuss semantics. Fernando Kieffer said the U.S. soldiers do not need to be armed when entering the country. They already have arms and helicopters, all owned by the U.S. Government, here in Bolivia. [passage omitted]

Brazil

Civil Household Chief Resigns Over Corruption Scandal

PY2910232893 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Oct 93

[Excerpts] During a meeting with Agriculture Minister Dejandir Dalpasquale at Planalto Palace this afternoon, President Itamar Franco himself confirmed that Civil Household Chief Minister Henrique Hargreaves had tendered his irrevocable resignation. According to Dalpasquale, with this move Minister Hargreaves seeks to avoid embarrassment to President Franco.

[Begin recording] [Dalpasquale] I believe this is a critical and difficult moment resulting from the budget Congressional Investigating Committee, CPI, which is at work at the Chamber of Deputies, in which Minister Hargreaves was mentioned. He decided to leave the government so as to allow the president of the Republic to remain at ease.

[Unidentified reporter] Do you believe the minister should really leave his position?

[Dalpasquale] I have no means by which I can analyze the feelings and attitudes of another person. If I were in his position I would have done the same, so as to leave the president at ease. [end recording]

Late in the afternoon the Press Secretariat of the Presidency of the Republic released Minister Hargreaves' letter of resignation. In the letter the minister says that as

a result of an unfair involvement of his name in the corruption scheme linked to irregular assignation of budget funds, which is being looked into by the budget CPI, he decided to leave the government to prevent his presence from being used as an excuse for political manipulations. [passage omitted]

Tarcisio Carlos de Almeida Cunha, Civil Household deputy chief for legal matters, has been appointed by President Itamar Franco to temporarily replace Hargreaves.

Editorial Views U.S. Interest in Narcotrafficking

PY3010001593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Oct 93 p 3

[Article by Roberto Lopes: "What the 'Enemy' General Thinks"]

[Text] The "enemy" general is called Jowan (the Americans pronounce it Jouen). A surname of Armenian or Slavic extraction. Nobody really knows. His first name is not relevant either. You may address him as "General." Two years ago he became chief of the U.S. Army Southern Command headquartered in Panama. In Washington, he commanded the fight against drug trafficking in Latin America. And that is precisely what engrosses him.

Gen. Jowan is at his wits end trying to understand why Brazilian military men have not been used in drug enforcement operations, which they should have done a long time ago. He says that "Brazil is the hole in our net." He was in Brasilia during the first half of 1992. General Carlos Tinoco, the Army minister at that time, asked the visitor what he wanted to talk about. The U.S. general answered that he wanted to talk about drug enforcement. Gen. Tinoco told him that this was no concern of his, and tried to change the subject. Gen. Jowan stood up, thanked him, and never came back. He tells his subordinates that Brazil behaves like a Third World country.

Reports of maneuvers by the U.S. Army in the forests of Guiana ended up on Gen. Jowan's desk. But this is not relevant either. Whether in Brasilia, Panama, or Washington, U.S. officers are aware that the Brazilian Armed Forces--especially the Army and the Air Force—commented on an imminent threat by U.S. troops at the Amazon region borders. The objective was to extract a little more money from the government. But each of the organized sectors of society is engaged in its own "special petty war"—mindless of the country, of the great Brazil where we all live and work.

Hector Ferreira, the special adviser to the presidency 12 years ago, tried to portray the future of the country—incidentally, with great simplicity—saying that the more the country "opened up" (we were about to begin the final stage of the "political openness") the worse Congress would fare.

I wonder what the Brazilian military are waiting for prior to taking resolute action against a hotbed of so much illegality (arms smuggling, prostitution, corruption, etc.) and disunity, like drug trafficking. Are they waiting for an internal war to be in the making? That cannot be because it already exists in Rio de Janeiro.

Or is it that they are waiting for Escandinha [well-known trafficker] to become a deputy? On that day, Jabes Rabelo [PTB- RO] [Brazilian Labor Party - Roraima] is certain to become senator once again, Nobel Moura [PTB-RO] will be named justice minister, and PC Farias will be appointed secretary of the Treasury. At that time generals, brigadiers, and admirals will have to turn to him—or somebody like him—to beg for some nickels to equip themselves for a possible conventional war, which is increasingly far-away, in the dust: Behind a cloud of dust, white dust.

It is said that the top-echelons of the military fear that letting their subordinates become engaged in drug enforcement operations will be tantamount to leaving the doors of the barracks open to the temptation of big money, with which civilian and military police at state and federal levels have already been corrupted. This is totally groundless. If we are going to treat our soldiers as porcelain figures, it would be better to close our military institutions.

The idiots who want to prove what is obvious contend that this theory has been assembled by U.S. military interest in Brazil—that this is the prerequisite for reconciling military relations between Brazil and the United States. What fools they are. The damage to military relations between Brasilia and Washington is much broader and more serious than that. (The Brazilian Air Force, FAB, recently ordered somebody to unofficially ascertain the U.S. Government's opinion on a possible request to purchase F-16 fighter planes. The Pentagon answered in a very subtle way that the FAB had better not request anything.)

It all boils down, Messrs. Military Ministers, to facing reality. One should no longer hide the fact that traffickers on the hills of Rio de Janeiro have at their disposal 800,000 clandestine weapons; that the children of sergeants, corporals, and soldiers are kidnapped in shantytowns so that their release may be "bought" with machine-guns, grenades, and ammunition. Or do these gentlemen believe that a Navy jeep with a few riflemen still frightens people on those hills?

It may be much easier, from an operational standpoint, to close Congress because Escadinha and Rabelo are there giving orders, but—let us agree, gentlemen—it is also much less patriotic.

Spokesman Says Franco Not 'Shaken' by Crisis

PY3010121793 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Oct 93

[Report by Renata Verissimo from Planalto Palace]

[Text] President Itamar Franco refuted an article published in JORNAL DO BRASIL stating that he was shaken by the political crisis. He also denied mentioning again the possibility of holding next year's general elections before the scheduled date. Through Planalto Palace spokesman Francisco Baker, Franco denied the news and regretted the way the daily dealt with the subject in addition to not even worrying about publishing his version.

[Begin Baker recording] The president was concerned and asked me to do my utmost to make clear that the news was entirely groundless. I have contacted the Bank of Brazil branch here and I contacted the daily's owners in Rio de Janeiro between 2300 and 0000 last night. All my efforts, however, were useless because the daily insisted on publishing the news they wanted and not publishing any of the things we told them. [end recording]

Baker said that the president is following the entire political crisis with concern, but deemed it too strong to say that he was shaken by the crisis. Baker also denied that the president again commented on moving up the elections or mentioned a military intervention. He also denied that the president was planning to address the nation to launch a moralization campaign.

Chile

Cuban Official Reports on Bilateral Trade

PY2910114693 Santiago Radio Cooperativa Network in Spanish 1000 GMT 29 Oct 93

[Text] Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, said he is pleased but not satisfied with the increasing commercial ties with Chile.

Melendez reported the results of a seminar on opportunities for doing business in Cuba. The Chilean minister said Chilean-Cuban trade amounts to only $7 million, with an expected growth of 10 percent compared with 1992. There is obvious imbalance because 90 percent of this figure corresponds to Chilean exports.

Despite growing trade, Melendez said there still are many areas to be developed. He added that Cuba offers the advantage of its infrastructure and geographical location to Chilean businessmen.

Two of the almost 200 joint enterprises run by foreigners and Cubans have Chilean investors' participation—the Cardoen group in the area of citrus fruits and another one in the hotel industry.

More than 120 businessmen attended the seminar, 46 of whom said they would like to join a commercial mission that will go to Cuba in the near future.

In turn, the Cubans announced that two similar missions will be sent to Chile.

Bomb Damages Rightist Coalition Headquarters; No Injuries

PY2910140593 Madrid EFE in Spanish 0153 GMT 29 Oct 93

[Text] Santiago, 28 Oct (EFE)—A bomb went off on 28 October at the headquarters of the opposition rightist coalition that will run in the 11 December elections, causing no injuries but slightly damaging the building located barely three blocks from La Moneda presidential palace.

According to police sources quoted by the local news agency ORBE, the bomb went off at 2005 local time (2305 GMT).

The building houses the downtown office of the rightist opposition coalition sponsoring the presidential candidacy of Senator Arturo Alessandri, the nephew of ex-President Jorge Alessandri (1958-64), who was a conservative.

According to all polls, the favorite candidate in the general elections is Christian Democratic Party Senator Eduardo Frei Ruiz Tagle, the son of former President Eduardo Frei Montalva and the candidate for the government Coalition of Parties for Democracy.

Terrorists Bomb Bank Causing Damage, No Victims

PY2910195593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Oct 93

[Text] Last night unidentified individuals placed a bomb at the O'Higgins Bank branch on the corner of Diagonal Paraguay and Portugal Street.

The bomb exploded after midnight destroying the entrance to the bank, the interior, and the windows of neighboring houses.

Specialized Carabineros personnel determined that the bomb contained 400 grams of explosives and was detonated mechanically. The police found pamphlets of a Manuel Rodriguez Front faction.

The damage is evaluated at nearly 1 million pesos.

Aylwin Denies Government 'Upset' Over Army Promotions Delay

PY3010190993 Madrid EFE in Spanish 0236 GMT 30 Oct 93

[Text] Santiago, 29 Oct (EFE)—Today Chilean President Patricio Aylwin denied press reports, saying that the government was not upset over the Army's decision to postpone changes in the high command until after the elections in December.

According to the press reports the Defense Ministry was not satisfied with Army Commander General Augusto Pinochet's explanations as to why the official retirement

of officers and their replacement by newly promoted officers had been postponed.

Military sources mentioned today by the local media stated that the upcoming presidential and parliamentarian elections to be held on 11 December had prompted the delay of this process, because the high-ranking Army officers must safeguard the elections.

Other versions stated, however, that the delay was because General Jorge Ballerino [Army inspector general], who was Pinochet's favorite candidate to become deputy commander of the Army and, therefore, his possible replacement in the future, has to remain another 45 days in the United States to undergo medical treatment for his eye.

It is no secret that the government wants General Jorge Lucar to continue as second in command of the Army and, although he has already completed the required 38 years in service to the institution, there is a regulation known as the "Canessa law" by which he can serve an additional three years.

President Aylwin, after a short trip in a submarine in the port of Valparaiso, was asked about the subject. He said: "I do not know where you got that story about unrest. I am not aware of any unrest."

The chief of state, who was accompanied by Defense Minister Patricio Rojas, thus ended his chat with the media.

Other press reports state that the government objected to the promotion of Brigadier General Hernan Ramirez to the rank of major general because in the past he had belonged to the dismantled National Intelligence Directorate (DINA, secret police during Pinochet's regime) and until 1991 to the leadership of the Army Intelligence Directorate (DINE).

Colombia

Search Bloc Kills Leaders of Medellin Cartel Assassins

PA3110024193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 31 Oct 93

[From the "TV Today" newscast]

[Text] Here is a report just in from Medellin: A few minutes ago, Search Bloc agents, comprising policemen and members of the Army, killed two men believed to be the leaders of the Medellin Cartel's paid assassins. The two men have been identified as John Jairo Perez Agudelo and Jorge Hernan Florez, alias El Japones. In June, both men had escaped from San Quintin prison in Bella Antioquia. A submachine gun and a pistol were seized during the police operation, which took place in the eastern part of Medellin.

Gaviria Defends Decision To Resume Ties With Cuba

PA3010045993 Mexico City NOTIMEX in Spanish 1754 GMT 29 Oct 93

[Text] Santa Fe de Bogota, 29 Oct (NOTIMEX)—Colombian President Cesar Gaviria said today he is convinced the United States will respect the recently announced decision of his government to resume diplomatic relations with Cuba. At a news conference, the Colombian president stated that this South American nation is promoting a "sovereign" decision in keeping with international policy.

The resumption of diplomatic relations with Cuba, which were suspended in the early part of the eighties after it was confirmed that Cuba was using its territory to train Colombian guerrillas, was announced yesterday by the Foreign Ministry.

"We have decided to normalize these relations, simply because we believe the circumstances that caused the break in relations have disappeared," Gaviria told newsmen. He explained that the announcement to reestablish diplomatic relations with Havana "does not imply an endorsement of or agreement with the form of government that exists in Cuba but, rather, the strict application of what has been Colombia's international policy."

The official decision was rejected by different opposition sectors, which believe the resumption of relations with Cuba "will provide mouth-to-mouth resuscitation" to what they termed Fidel Castro's dictatorship. In response to such claims, the Colombian chief of state said: "If the Cuban Government is oxygenated by way of diplomatic relations, then it will have plenty oxygen, because perhaps there is no country in Latin America that has more diplomatic relations than Cuba." Gaviria said he believed it was pointless that a country such as Colombia, which together with countries like Mexico and Venezuela are making efforts in Latin America to achieve a peaceful evolution on the island through a market economy and the expansion of civil liberties, is the only country that does not have relations with Havana.

Asked about the appointment of a new Colombian ambassador in Cuba, the president said that some names are being considered by Foreign Minister Noemi Sanin, adding that a final decision will be made within the coming days. Gabriel Garcia Marquez, Nobel Literature Prize laureate, has been mentioned as a candidate to fill the diplomatic post in view of his renowned cultural ties with Cuba.

Government Denies G-3 Exerted Pressure on Cuba Issue

PA3010123893 Mexico City NOTIMEX in Spanish 1904 GMT 29 Oct 93

[Text] Santa Fe de Bogota, 29 Oct (NOTIMEX)—The Colombian Government today denied the Group of

Three (G-3), which it comprises with Mexico and Venezuela, intervened in the country's decision to restore diplomatic relations with Cuba. "It is not a decision reached with the G-3. It is a decision adopted by the Government of Colombia, which is simply a sovereign country," Foreign Minister Noemi Sanin stated.

The G-3 has opted to endorse further progress in the achievement of democracy in Cuba, in terms of the Cuban people's sovereignty, and to seek peaceful solutions to the crisis that prevails in Havana. The regional organization has urged Latin American countries to maintain open channels of communication with Cuban President Fidel Castro's government.

The foreign minister revealed President Cesar Gaviria "discussed" the decision with Defense Minister Rafael Pardo, and she reasserted that the reasons that prompted Julio Cesar Turbay's administration to break diplomatic relations with Cuba have disappeared.

The announcement surprised Colombian political groups, most of which have opposed a rapprochement with Cuba because they consider the measure would strengthen Castro's dying government. According to former President Alfonso Lopez Michelsen, who opposed the measure, Gaviria was influenced by foreign policy associates such as Mexico and Venezuela." [quotation mark as received]

Moreover, former Colombian President Misael Pastrana condemned the resumption of relations, suspended in 1981, and accused President Gaviria of violating constitutional mechanisms established to adopt such a decision. "I hereby state, as a member of the Foreign Relations Advisory Commission, that I was not consulted—only notified," Pastrana said.

Ten years after announcing a rupture in diplomatic relations with Cuba, Gaviria restored those relations at consular level during the Ibero-American Summit celebrated in Guadalajara, Mexico.

Meanwhile, former President Julio Cesar Turbay, who accused Castro of training Colombian guerrilla fighters on his territory and was involved in the diplomatic estrangement, applauded the renewal of relations; and he denied the president had an obligation to consult advisers to adopt this decision.

Antonio Navarro Wolff, presidential candidate for the M-19 Democratic Alliance, expressed his approval for what he considers "the Colombian Government's cooperation for a transition without traumas in the Cuban system."

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[Editorial Report]

Pastrana Urges Samper To Comment on Porras Incident

Andres Pastrana, widely considered the Conservative Party's most likely presidential candidate, has urged Liberal Party presidential hopeful Ernesto Samper to make a public statement regarding recently publicized contacts between three Liberal Party legislators who are supporters of Samper and Evaristo Porras, who has been investigated for alleged drug trafficking. Pastrana asserted that only Samper himself—and not his campaign staff or his director of ethics, Jorge Valencia Jaramillo—could give a valid account of his views. Pastrana said "morality is something that cannot be delegated" and is "too important" to leave in the hands of the party or campaign staff. Asked how he would have reacted in a similar situation, Pastrana replied that he would have immediately rejected any support from Porras, whether real or presumed, and "would not have allowed so much time to pass" before deciding how to respond to the incident. [Samper allowed his ethics director several days to review the incident before a decision was made to reject the three legislators' support to the campaign.] Pastrana asserted that he does not believe in political codes of ethics, explaining that the Constitution establishes norms in this regard and it is not necessary to "replicate them in individual codes, but to apply them." (Santa Fe de Bogota EL TIEMPO 28 Sep 93 p 6A)

Pastrana To Launch Campaign in November

Andres Pastrana reportedly plans to officially launch his presidential campaign during the second week in November. His campaign staff would consist of a 100-person team to include Claudia de Francisco, wife of Minister of Defense Rafael Pardo, as treasurer; Diego Pardo Koppel, as youth coordinator; Ruben Dario Lizarralde, as administrative director, and Minister of Development Luis Alberto Moreno, as general director of the campaign, according to the report. (Santa Fe de Bogota EL TIEMPO 8 Oct 93 p 5-A)

Pastrana Hosts Spanish Political Leader

Jose Maria Aznar, president of Spain's Popular Party, arrived on 30 September for a two-day visit at the invitation of Andres Pastrana. During his stay, he met with Jorge Ramon Elias Nader and Francisco Jose Jattin, leaders of the Senate and House, respectively, and President Gaviria with whom he reportedly discussed bilateral relations, Latin American regional integration, plans for the 1994 Ibero-American Summit, and the future of Cuba, among other topics. During a press conference, which Pastrana also attended, Aznar announced the formation, days earlier during his visit to Venezuela, of the Ibero-American Popular Foundation. He described the foundation as a group of "persons with basically the same thinking" whose members also include Andres Pastrana, Miguel Angel Rodriguez of Costa Rica's Social Christian Union, and members of Venezuela's Social Christian Party, Copei. Aznar also commented on the

corruption issue saying that efforts to fight corruption will be successful only insofar as they create an environment with fewer temptations for politicians to engage in such activities. Aznar rejected the need for individual parties to have their own code of ethics explaining that "the best code of ethics is the fulfillment of the law." He denied having offered Pastrana campaign advice saying, "he needs no advice." After pointing to similarities between his own political thinking and Pastrana's, Aznar said: "We both believe in creating societies which are more prosperous, democratic, and free. In that sense, I hope Colombians will see the value of these ideas which are the ideas of the future."

In response to Conservative candidate Gabriel Melo Guevara's assertion that Aznar's visit was reminiscent of "colonialism" and that his remarks constituted undue meddling in Colombian politics, Pastrana said: "Politics is different today. Parties share more in common, they are more integrated, and they exchange ideas." He noted that the Liberal Party, which is a member of the Socialist International, also tries to strengthen contacts with other parties. Pastrana recalled that when he expressed agreement with Aznar's thinking during a trip to Spain, no one accused him of interfering in Spanish politics.

Ernesto Samper commented on Pastrana's hosting of Aznar saying: "Both are young, have the same moustache, represent the extreme right, and are going to suffer the same fate in the elections." Aznar lost to Felipe Gonzalez in Spain's recent elections. (Santa Fe de Bogota EL TIEMPO 1 Oct 93 p 7A, 2 Oct 93 p 6A, 7A; EL ESPECTADOR 1 Oct 93 13A)

Pastrana, MSN Leader Alvaro Gomez Hurtado Meet

Andres Pastrana and Alvaro Gomez Hurtado, leader of the National Salvation Movement (MSN) faction of the Conservative Party, have met several times in recent days, reportedly at Pastrana's request. When asked about the content of one two-hour meeting with Gomez, Pastrana characterized it as a "fruitful and amenable" exchange of ideas on the country's problems, especially national security and economic issues. Asked whether he had received any pledge of support from Gomez, Pastrana said he had not made pacts or alliances with anyone. Pastrana explained that he considered it important to talk with Gomez the same way he was holding discussions with a variety of other political leaders representing different views in an effort to consolidate a candidacy which transcends political parties. (Santa Fe de Bogota EL TIEMPO 30 Sep 93 p 8A, EL ESPECTADOR 4 Oct 93 p 5A)

Pact Between Samper, Rodrigo Marin Bernal Rumored

Liberal Party presidential hopeful Humberto de la Calle has written a letter to Liberal Party President Julio Cesar Turbay in which he reportedly warns Turbay of the possibility of a pact between Ernesto Samper and Conservative Party presidential hopeful Rodrigo Marin Bernal. The press has reported recently on meetings between Samper and Marin, and between Samper, the MSN's Alvaro Gomez Hurtado, and other members of the MSN leadership.

Turbay wrote a letter in reply to de la Calle, saying that because de la Calle's allegations "concerned" him, he spoke with Samper, who "denied having reached any agreement with the Conservative Party members to whom you alluded in your letter." Turbay also pointed to recent press reports in which Marin denied having reached any agreement with Samper. Marin described his discussions with Samper as "strictly social in nature," although he acknowledged some similarities in their thinking, such as on the issue of the Gaviria administration's economic liberalization program, "apertura," in which "there have been some mistakes." Marin added, however, that "there is a big difference between saying 'I agree with you' and 'I will vote for you in the first round'."

Turbay said that, based on Samper's and Marin's statements, he considered the matter settled. He added, however, that the Liberal Party must consider what strategy to adopt in the event that it does not reach an absolute majority in the first round and a runoff is required:

> "Obviously it is necessary to know whether we would refuse to reach an understanding with other sectors of opinion, thereby denying ourselves an increased number of votes, or whether we should reach an understanding, in an open manner, with complementary forces which would allow us to reach 50 percent of the vote plus one. The runoff required by the Constitution makes it necessary to think in a national sense about how to manage the political campaign." (Santa Fe de Bogota EL TIEMPO 28 Sep 93 p 6A)

Pastrana Supporters Hold Forum for Youth

On 2 October, supporters of Andres Pastrana sponsored a national forum on corruption and juvenile violence held simultaneously in 15 cities via microwave television transmissions. The forum was organized by the "Youth for Andres" movement for the purpose of soliciting the views of university students and young professionals and was held in Bogota, Medellin, Cali, Barranquilla, Bucaramanga, Cucuta, Pasto, Pereira, among other cities. The event was to include a video prepared by Pastrana during his days as a journalist in which he addresses the problems of child abuse, abandonment, youth violence, and other problems which can lead young people to drug addiction and deliquency. In an address to the forum, Pastrana urged participants to vote because this represents their only opportunity to "participate in the changes the country needs." [Results of a recent poll published by EL TIEMPO showed Pastrana is more popular than Samper among young people 18-24 years of age.] (Santa Fe de Bogota EL ESPECTADOR 25 Sep 93 p 5A, EL TIEMPO 4 Oct 93 p 6A)

* Efforts To Counter Political Corruption Lauded

94SM0035A Santa Fe de Bogota EL TIEMPO in Spanish 24 Sep 93 p 4A

[EL TIEMPO Editorial]

[Text] Two episodes, apparently isolated but with a number of coincidences, such as the fact that in both cases the people involved are from Amazonas, bring to the fore the urgent need to persist in the effort to clean up our political practices. In the first case, a plenary session of the Chamber of Representatives approved the Ethics Committee's report on the conflict of interest case involving Amazonas Representative Jairo Ruiz Medina, and decided to send it to the Council of State for a decision on whether there are grounds to expel him from parliament. In the second incident, it has come to light that individuals with very questionable backgrounds, such as Evaristo Porras (jailed several times for alleged ties with drug trafficking and arrested for illegal transportation of weapons), have been trying to infiltrate political campaigns through well-known leaders; in this case, the campaign was that of Liberal precandidate Ernesto Samper Pizano.

The Chamber's decision is praiseworthy. It may be that this body has a long way to go to restore its lost credibility and complete the purification process, but it is a healthy sign that it has voted to send Representative Ruiz Medina's case to the Council of State for the appropriate sanctions. This is an act of political openness that will send a message to congressmen "on the take" who think they will be protected by a misunderstood esprit de corps. Indeed, it is encouraging to see a group of representatives and senators who are worried about Congress' image and aware of the need to prove by their actions that they do have the political will to clean up that body. Thus, over time, those who abuse their powers, or who line their pockets thanks to their association with Congress, or who enter into associations with undesirable and dangerous figures, such as Mr. Porras, will be isolated.

In Leticia on Saturday, Representative Melquizedec Marin held an event to announce his support for the candidacy of Dr. Samper, in the presence of Congressmen Jorge E. Gechem and Rodrigo Turbay. Sitting at the head table with Representative Marin was Evaristo Porras, a well-known figure with a criminal background. We cannot see any reason for him to participate in any candidate's campaign, except to finance certain politicians such as those present at that political banquet. Or else what were the three congressmen doing, sitting there so nonchalantly at the same table as Mr. Porras?

This fact, which has indisputably harmful implications, serves to set a strong precedent. If the explanations of those involved are not satisfactory and the ethical adviser to Samper's campaign sees it that way, a decision should be made right away to set an example. One solution might be to reject the support of anyone who participated in that event, including those who claimed not to know that Mr. Porras was present. It is always better to leave a table when there is bad company.

Precandidate Samper has an opportunity to show that he really means what he has said in his campaign, especially his statements concerning the qualifications and morality of those who will accompany him in his campaign. There is no reason to delay this decision, which should be very clear-cut. Although a careful investigation by the ethical adviser takes time, the fact is that in view of such overwhelming evidence, any vacillation or delay could be tremendously costly. We cannot possibly have forgotten so easily who the man in question is.

* Sign of 'Slight' Upturn in Agricultural Sector

94SM0032A Santa Fe de Bogota EL TIEMPO in Spanish 27 Sep 93 pp 1B-2B

[Article by Edmer Tovar Martinez]

[Text] Despite the drastic drop in farmers' income due to low prices for their products, certain activities showed a slight recovery at the end of 1993.

According to government figures, 12 of the 17 products included in an analysis of production trends from 1990 to the present showed drops in real prices to the producer, while five remained at profitable levels. The situation is critical for cotton and banana growers.

Although official statistics continue to point to a crisis, the upward turn in international prices and the reduction in imports of subsidized products indicate that the sector may be entering a recovery phase.

For some products affected by subsidized imports (rice, wheat, corn, milk, and chicken), the picture has begun to change.

Measures adopted by the government to limit the entry of subsidized foodstuffs have in fact helped counter the effect of the unfair competition that they have faced since 1991, when agriculture was included in the economic liberalization [apertura].

Weather brings the first promise of better crops and revived production. The normalization of rainy seasons reduces production costs, resulting in greater profits from crops.

An additional boost to farming and livestock-raising activities came in the form of the elimination of tariffs on imported consumable expenditures used by the sector and an exemption from the value-added tax (VAT) for all agricultural products, including machinery and equipment.

Three export products: palm oil, cotton, and sugar, are showing signs of recovery, while bananas, fruits, and potatoes continue their downward trend.

In general, the projection of international prices for agricultural raw materials and food indicates that 1994 will see a slight recovery, categories in which prices reached the lowest levels of the last 25 years during the period from 1990 to 1992.

Renewed Growth

According to the most recent document drafted by the Division of Agricultural Development of the National Planning Department (DNP) and presented by the government at the Yerbabuena meeting, a .5-percent increase is expected in the area devoted to agriculture in 1993.

The report shows that the value of production from six-month and year-round crops will rise 4.6 percent compared with 1992. The government believes that the volume of agricultural production will rise 6.7 percent this year.

According to the study, the rest of agriculture, including such critical products as corn, wheat, black tobacco, and agave fiber, all of which are covered by the conversion plan, will behave positively compared with 1992.

However, farmers believe that the signs of recovery can only be observed in the government's figures, not in production areas.

Official Measures

Measures adopted by the government over the past three years coincide with adjustments sought by production associations as soon as the economic liberalization went into effect.

The associations maintain that the government's farm policy is based solely on handling circumstantial problems and claim that many of the solutions were applied when the damage had already been done.

The Ministry of Agriculture says the sectoral policy rests on structural foundations designed in 1991 when the liberalization went into effect.

It points out, for example, that most commercial crops and some of those included in the peasant economy have price margins.

Earlier this year, inasmuch as the margin was not sufficient to counter the effect of the freeing of imports, acting through the Agricultural Sector Finance Fund (FINAGRO), the Ministry of Agriculture authorized the refinancing of credits granted to farm producers by the law passed by Congress two years ago.

Since mid-1991, four products: wheat, barley, black tobacco, and agave fiber, embarked upon a plan of conversion and modernization, and agreements to absorb national production were signed with manufacturers.

In the case of rice, the governments of Colombia and Venezuela signed an agreement to voluntarily restrict trade in grains and set export quotas for Venezuelan grain going to Colombia in 1993 and 1994 amounting to 38,000 and 45,000 tons respectively. Such imports are only allowed between the months of January and September.

In sum, the future of the agricultural sector looks more promising as a result of the measures passed by the government. However, farmers think the changes should have been made as early as 1991 in order to ward off the crisis that rural production has been forced to endure for the past three years.

* First Semester Increase in Imports Discussed

* Figures Reported

94SM0034A Santa Fe de Bogota EL TIEMPO in Spanish 17 Sep 93 pp 1B-2B

[Article: "Imports Increase 78 Percent in Six Months"]

[Text] Exports rose only 5.6 percent.

The avalanche of imports continues. Purchases abroad rose 77.9 percent during the first six months of 1993 compared with the same period last year, going from $2.917 billion to $5.191 billion.

Exports are still depressed, however, rising only 5.6 percent.

These figures were released by the Directorate of Taxes and National Customs (DIAN) and the National Administrative Department of Statistics (DANE), following a delay of several months.

The sharp increase is explained by the massive influx of capital goods and building materials, which rose 115 percent, from $1.014 billion to $2.186 billion.

Capital goods imports account for half of the growth in purchases abroad. Agricultural machinery, tools, vehicles, and other related equipment entering the country cost $2.133 billion.

In addition, the construction industry imported materials costing $53 million, double last year's figure. This trend is directly related to the boom in the construction sector, which in recent years has been nothing short of dynamic. Building materials manufacturers recorded growth of 7.7 percent during the first half of the year.

However, production is not alone in acquiring machinery for the purpose of modernizing. The country has been flooded with consumer products, mainly food and beverages, tobacco, clothing, furniture, decorating items, electrical appliances, and so on. Purchases of these goods have risen 105 percent.

The boom is confirmed by the sheer volume of imported products: In six months, 5.26 billion tons of products have entered the country, 50 percent over last year's figure.

Another sector continuing to demonstrate a remarkable turnaround is vehicles. Automobiles and trucks costing $159 million entered the country during the first six months of the year, an increase of 163 percent.

Weapons

The biggest leap was in passenger vehicles, where volume increased eight times over.

Imports of military materiel also shot up. The fight against guerrillas, the formation of mobile brigades, the beefing up of forces in the cities and rural areas, and ammunition purchases explain why purchases were five times the total for the first half of last year, going from $28 million to $159 million.

Vehicles and weapons account for nearly 50 percent of all consumer goods imports.

Raw materials rose 41.76 percent, from $1.479 billion to $2.096 billion.

This sector includes fuels, lubricants, mining products, chemicals, and other products used in industry and the agricultural sector.

More nuclear reactors, boilers, and machinery are also entering the country, showing an increase of 48 percent.

Related revenue has increased significantly. Taxes on foreign trade, including tariffs and the value-added tax (VAT), have risen 125 percent, going from $297.61 million to $670,162,000.

The increase in collections is balanced by the drop in income taxes and other sources of revenue.

Foreign Sales

The figures presented by the government show that exports increased by only 5.6 percent, from $3.385 billion during the first half of 1992 to $3.575 billion for the same period of this year. However, in volume they rose 12.9 percent.

The situation is more complex for traditional exports (coffee, oil, ferronickel, coal), dropping 3.6 percent from $1.687 billion to $1.627 billion.

The biggest drops were in coffee (18.8 percent) and ferronickel (11.1 percent). In contrast, coal exports rose 16.8 percent.

Nontraditional exports rose 14.7 percent, from $1.698 billion to $1.948 billion.

This increase is largely explained by increased sales of pearls and precious stones, including emeralds, which rose from $68 million to $198 million.

Sales of textiles and ready-to-wear garments, shoes, paper, chemical substances, and porcelain also increased.

The country's trade balance, meaning the difference between imports and exports, was negative, totaling $1.225 billion.

The Directorate of Taxes and National Customs (DIAN) also revealed that it is investigating 5,200 cases involving alleged money laundering.

The agency is analyzing the origin of $2.4 billion that apparently entered the country as the result of fictitious exports and overbilling for exports.

The sum of $1.2 billion initially mentioned in connection with the investigation has doubled.

* Increase in Imports Analyzed

94SM0034B Santa Fe de Bogota EL TIEMPO in Spanish 27 Sep 93 p 4A

[Article: "Interesting Figures"]

[Text] Preliminary figures on import trends this year were finally released a few days ago. The total stunned the media because of its magnitude: During the first six months of 1993, imports amounted to some $5.2 billion, a 78-percent increase over the total for the same period of last year. In contrast, exports barely exceeded $3.5 billion, generating a negative trade balance of $1.663 billion, something we have not in this country for many years.

The initial reaction on the part of the public is understandable. The Colombian people are not accustomed to imports and think the economic liberalization [apertura] is fine as long as such imports do not compete with domestic production. In addition, whenever people talk about imports, it is assumed that the products in question are luxury items, the caviar and champagne of which President Betancur spoke. So what do the recently published figures show?

It is interesting that 90 percent of the $2.274-billion increase in purchases abroad from one year to the next is made up of imports of raw materials, capital goods for industry and agriculture, transportation equipment, and automobiles. Breaking the figure down shows that such purchases are clearly economically justified because, first of all, the country is expanding its production capacity. Second, it is replacing its pool of automotive vehicles. What has happened in this area is very revealing: Imports of semi-trailer tractors rose by over $320 million, while freight charges for overland transport dropped by nearly 50 percent during the same period. This means that the economic liberalization has already had a positive impact on transport costs. Furthermore, imports of trucks and automobiles may slow down substantially in the months ahead because the market is saturated.

In other words, a marked increase in imports like the one that has already taken place should not alarm people. Exports are in fact expanding at a substantially slower rate, and economic policy and the different instruments

involved should focus on promotion and growth. However, we have in years past witnessed the opposite situation: Exports have risen more rapidly than imports, resulting in a buildup of international reserves and inflationary pressure. The economy is currently able to absorb a trade deficit like the one generated, particularly when one remembers, as we have stated on previous occasions, that increased imports provide protection against any revaluation of the peso. In other words, anything going beyond routine concern over import trends during the first half of 1993 is not justified.

In view of these facts, it should be noted that the economic liberalization, a recent phenomenon in our country, has been quite beneficial. Furthermore, if sufficient time is allowed and if the needed adjustments are made in order to help the sectors that have been truly hard hit, it will be very useful for our economy and therefore for the future development of Colombia.

* Increase in Defense, Social Security Allocations

94SM0032B Santa Fe de Bogota EL TIEMPO in Spanish 27 Sep 93 p 3B

[Article by Jacquelin Guevara Gil]

[Text] Social security, defense, and the Office of the Prosecutor General were three of the sectors benefiting from the additional 222.622 billion pesos which the National Government injected into the draft budget for 1994.

According to a number of modifications which the nation's Congress will begin to study by midweek, the Ministry of Finance allocated 30 billion pesos for the social security reform, a sum not previously financed.

Next year the government will earmark nearly 200 billion pesos to pay for benefits owing to health workers and to start a fund designed to avoid any more delays in payments to employees in that sector.

The Ministry of Defense will receive 33.933 billion pesos, including operating expenditures and investments, to be added to the 762 billion pesos contained in the budget for the coming year.

The additional resources will be used to purchase and maintain military equipment and remodel barracks.

One of the Executive Branch's aims is to beef up the Armed Forces so that they may deal with terrorism and drug-related violence.

In a message addressed to the third and fourth committees of the Senate and House, Minister of Finance Rudolf Hommes expressed confidence that the modifications will be approved, adding that the increase in spending will not raise the government deficit. In other words, the government is sticking to its goal of a deficit amounting to 1.5 percent of the gross domestic product (GDP).

Justice

In addition to the 293 billion pesos for 1994, the Judicial Branch will be assigned new resources, but not in the amount it requested. The government included an allocation of 5 billion, far below the nearly 200 billion which the presiding judge of the Administrative Chamber of the High Council of the Judicature, Luz Stella Mosquera, had asked for.

Mosquera said the larger sum was needed in order to set up courts of justice in nine departments, create new Supreme Court posts, and make wage adjustments for employees in the branch ranging from 20 to 23 percent.

The Office of the Prosecutor General will receive an additional 21.249 billion pesos for personnel services and general expenditures, while the Registrar's Office will obtain 5 billion pesos.

Elections will be held next year and the Executive Branch has already pledged resources amounting to 49 billion pesos to finance the cost of campaigns.

The Ministry of Education will receive an additional allocation of 11.698 billion pesos, while Icetex was given another 5 billion.

Proposed spending cuts for the coming year total 117.8 billion pesos and will affect all ministries and government agencies.

One area in which deep cuts will be made is payment on the foreign and domestic debt, which will be reduced by 27.81 billion pesos.

Modifications made by the government in the 1994 draft budget will increase the total figure from 14.4 to 14.6 billion pesos.

Ecuador

Minister Reiterates Country To Remain in Andean Pact

PA2910202993 Quito Voz de los Andes in Spanish 2300 GMT 26 Oct 93

[Text] Quito—Jorge Garcia, Ecuadoran minister of industry, commerce, and integration, said on 26 October that Ecuador will not withdraw from the Andean Pact for economic integration. Venezuela, Colombia, Peru, and Bolivia are also members of that pact.

We remain firm within the Andean Pact, Garcia said after admitting that Ecuador has disagreements with Venezuela and Colombia, particularly on the approval of the common customs tariffs for trade with third countries. We have had differences with the Venezuelan and Colombian representatives, who have tried to impose their criteria. Naturally, they have reached agreements, because they are a block and act as one country without considering Ecuador's position. Under those circumstances, we cannot yield to their pressure, he added.

* Police Describe Cocaine Traffickers' Operations

94WD0021Z Guayaquil EL UNIVERSO in Spanish 21 Sep 93 p 14 Sec 1

[Article: "They Were Going To Ship Cocaine in Tractor Wheels"]

[Text]

Several Arrested and 102 Kg of Cocaine Seized

The National Police released a report yesterday describing action taken against an international drug trafficking ring that had planned to ship 123 packages of cocaine hydrochloride from the maritime port of Guayaquil. The packages were found and seized and five alleged members of the organization were caught by police officers.

This information was provided by Colonel Jose Sosa Paucar, head of Guayas Command No. 2, at a press conference at which the arrested individuals also appeared. The 102 kilos of cocaine, worth over $7 million on the international black market, along with other evidence, was also exhibited.

Trafficking Ring

According to the police official, the investigation resulting in the location and capture of part of the ring began with the inspection of several export invoices processed by the Central Bank of Ecuador's main branch office in Guayaquil. Forged signatures helped investigators discover the system used by the drug traffickers to export drugs to Miami, camouflaged in Caterpillar tractor wheels.

He also confirmed that specially trained Police dogs had sniffed out the drug, waiting to be shipped, in Warehouse No.4 at this city's Maritime Port. The drug traffickers' clever plan was thus foiled.

Sosa added that the drug originated in Colombia, where it was hidden in the wheels and then brought to Guayaquil. It was to be sent to the United States, where it would be received by a company called Milan's in Florida.

Prisoners

Those arrested are: Carlos Fajardo Cueva, Byron Lapierre Quinteros, Javier Contreras Gomez, Ricardo Contreras Gomez, and Walter Sanchez Arreaga. Still at large are Francisco Malave Suarez and Roberto Fernando Contreras Gomez, who police say are the leaders of this criminal organization.

The police report states that Fajardo completed the export paperwork at the Central Bank, forging the signatures in order to obtain the documents that later enabled him to get the drug into the port. He also filled out all forms for shipping the drug to the United States through the Panalpina Export Company.

For his part, Lapierre had direct connections with Roberto Contreras. He hired Fajardo to complete the export paperwork for the drug and accompanied the Contreras brothers when they took it to the port warehouse. He forged the signatures of Francisco Malave Suarez on the applications filed with the Central Bank and knew that what was actually being exported was cocaine hydrochloride in tractor wheels.

Through Lapierre's story, the police report notes, it was learned that Ricardo Contreras accompanied his brother Roberto when the latter took the drug to the warehouse, that he contacted Lapierre to learn how the paperwork was going, and even kept an eye on the latter's activities. When the police were on the trail of ring members, Ricardo Contreras was instructed to give Walter Sanchez 20 million sucres in order to bribe investigators, and it was learned that he rented the vehicles in his brother's name at Yuri's Rent-a-Car.

Arrested for Bribery

The same report notes that upon learning that his brother Roberto (now at large) was being sought by police, Javier Contreras took the 20 million sucres to the Walter Tours travel agency and tried to bribe investigators. The arrested man was accompanied by his brother Ricardo, also in custody, and arrived at the agency in a black Mercedes Benz now being held as evidence by police.

Finally, Walter Sanchez Arreaga, owner of Yuri's Rent-a-Car, Walter Tours, and the villa where Interpol operates, is also under arrest for taking advantage of his business relationship with the investigators in order to propose that they "fix things" and thus help his friends, the Contreras brothers, and especially a customer of his, Roberto Contreras Gomez, who had rented a Chevrolet Swift on several occasions.

Sanchez received the 20 million sucres from the Contreras brothers and offered the money to the officers. The officers pretended to accept the "offer" and then proceeded to arrest Sanchez.

Colonel Sosa explained that Juan Carlos Arias Medrano and Lenin Naranjo Ramirez had also been arrested in connection with the investigation. They shared an office with the accused Carlos Fajardo, but the investigation never determined the pair's participation in the crime in question.

Paraguay

Congress Overrides Veto, Approves New Labor Code

PY2910200093 Asuncion ABC COLOR in Spanish 29 Oct 93 p 2

[Text] The Senate yesterday voted to override the executive branch veto on the bill creating a new Labor Code. An overwhelming majority of 39 of the 41 senators

present [the Senate president does not vote] voted in favor of the recommendations of the committee that has studied the issue. The Senate will communicate its decision to the Executive Branch, which must now promulgate the bill. Outside Congress the two bitterly opposed groups demonstrated while legislators voted on the measure. Agriculture and entrepreneurial groups demonstrated in support of the veto while union members asked congressmen to reject it. A large number of police and military personnel had cordoned off the Congress building. Prior to voting, all Senate bloc representatives had agreed to immediately study amendments to various conflicting articles.

The Senate thus ended the long controversy, which began when former President Andres Rodriguez vetoed the entire Labor Code bill which had been approved by the previous Congress. Farmers, entrepreneurs, and labor unions demonstrated outside the building during the session.

The police cordoned off Congress to safeguard the security of legislators a few days before. Yesterday that police protection was reinforced.

Members of the three labor unions—CUT [United Workers Trade Union Federation], CNT [National Workers Federation], and CPT [Paraguayan Confederation of Workers]—began arriving in the early afternoon hours. Small groups of National Agriculture Union members and National Agriculture Society members also demonstrated. The first groups assembled outside the House of Culture in the Independence Square. The agriculture sector gathered in the same square, near the cathedral. The center of the square was occupied by the police to control both groups.

For a considerable period the two groups of "fans" staged a verbal war by loudspeaker. When senator after senator began speaking in favor of rejecting the veto, however, the agriculture sector slowly began to withdraw from the area.

At the scheduled time the Senate voted on Decree 22580 in which the Executive Branch vetoed the entire Bill 213 of 29 June 1993 which "established the new Labor Code."

Twelve senators spoke during the debate on the controversial issue, 11 of them spoke in favor of overriding the veto and praised the work of the commission that worked out the agreement between the different party blocs which required considerable political maturity to obtain the support of the great majority of senators in voting on a bill inherited from the past Congress and government. The only senator who did not agree with the decision to override the veto was Colorado Party Senator Arnaldo Rojas Sanchez, who abstained.

The voting was achieved via a list of names. Of the 41 senators present, 39 supported the motion to override the veto. Union members received the decision with applause and firecrackers and paraded around the downtown streets.

The government must now promulgate the new law. The agreement reached at the Senate contemplates the immediate amendment of articles considered controversial.

Wasmosy Promulgates Labor Code, Urges Amendments

PY3010144193 Asuncion ABC COLOR in Spanish 30 Oct 93 p 22

[Text] President Juan Carlos Wasmosy promulgated the new Labor Code yesterday, thus implementing the legal tool. However, in keeping with a previous agreement with legislators, the code's controversial articles will be reviewed and amended to try to satisfy the affected parties. In this regard, Wasmosy commented that the Labor Code had not been vetoed by his government, thus directly blaming General Andres Rodriguez' government for it. "The logical thing would be a partial veto," Wasmosy said and then added: "I want to make this clear so people don't start accusing me of changing my mind, of changing my opinion from one day to the next. I act in keeping with what I say and do." The truth is that former Justice and Labor Minister Oscar Paciello was responsible for drafting the full veto of this code. Paciello (who is now Wasmosy's adviser) got Rodriguez to sign the veto.

Wasmosy also recalled that he made every possible effort to try to get employers, workers, cooperativists, and farmers to reach a consensus but that he was unsuccessful. The president was referring to the recent meeting at Government House. He regretted not being able to attain this goal.

The chief of state, however, voiced his gratitude to the legislators who, he said, had shown "civic maturity. I want to inform the people that I appreciate this civic maturity shown by the congressmen in reaching a consensus among the blocs to veto all the articles that create problems among the parties. Today, thanks to their civic maturity, I hope this code that I asked Congress to send me and have promulgated in the form of a law of the Republic will be amended to bring harmony and happiness to the Paraguayan people."

Wasmosy added: "I hope we will overcome these difficulties soon so employers, employees, workers, and peasants can strive for better days in our country." The president explained that the code now must be amended.

When he was told that some groups doubt these amendments will be made immediately, Wasmosy answered: "We must all trust each other. If we start off by suspecting of one and another, we will get nowhere. I have confidence the congressmen will make these amendments, and I will be very disappointed if they don't," he stated, referring to future amendments of the code.

Wasmosy Minimizes Argentine Ambassador's Charges

PY3010165393 Asuncion ABC COLOR in Spanish 30 Oct 93 p 10

[Excerpt] Tobati—President Juan Carlos Wasmosy minimized comments by Argentine Ambassador Raul Carignano, who said a few days ago that the local media is responsible for an anti-Argentine campaign that is prompting Argentine families who feel affected by this campaign to return to their country. In this regard Wasmosy said: "It is completely false. It is nonsense."

When asked his opinion about the ambassador's comments, Wasmosy said: "We live in democracy and must be broad-minded." On 27 October in an interview in Congress, Carignano said, among other things, that Argentine families are leaving Paraguay due to an alleged "systematic" anti-Argentine campaign. At one point of the interview Carignano even threatened: "Don't insist," and went on to point out there are 1 million Paraguayan citizens in Argentina and more than half of them are there illegally. [passage omitted]

Military Express 'Concern' Over Planned Budget Cutbacks

PY3110015293 Asuncion ABC COLOR in Spanish 27 Oct 93 p 2

[Text] National Defense Minister Hugo Estigarribia Elizeche reported on 26 October that generals, officers, and NCO's held a meeting with President Juan Carlos Wasmosy in which they expressed their concern over the 9.9 million guarani cutback that the congressional bicameral committee has implemented in the military budget for next year. He said that Armed Forces officers had requested an important wage increase for 1994, and added that a large number of the members of the military are in favor of continued foodstuff distribution among the members of the sector.

Estigarribia pointed out that the meeting, which was held 25 October at the "4 May" stadium of the 1st Army Corps, allowed the young officers to convey to the president of the Republic and the Executive Branch ministers their unrest and concern over the difficult economic situation being faced by the military.

He emphasized that the commanders of the three Armed Forces branches had reported in detail the cutbacks which the bicameral committee analyzing the draft national budget plans to implement to their respective budgets.

Minister Estigarribia explained: "The commanders expressed their concern over the 9.9 million guarani cutback planned for the military budget, because they believe this will cause huge economic harm to the functioning of the Armed Forces."

He emphasized that the high-ranking military chiefs will open a dialogue with congressmen in an attempt to convince them to correct the cutbacks affecting the functioning of the sector.

Estigarribia explained that the cutbacks will affect the budgets of several units, and will hinder their functioning. As an example of the difficulties that the Armed Forces will have to face as a result of cutbacks to their budget in the next fiscal year, he said: "The officers mentioned the specific case of the Air Force, and of the cutback in funds to be allocated to fuel purchases, because it will practically paralyze several units."

Better Salaries Requested

The defense minister also reported that the military asked the president of the Republic and the Armed Forces commander in chief to increase their salaries. "It is true. The officers attending the meeting asked President Wasmosy to increase their salaries. This is reasonable, because currently a general is receiving a salary very much lower than that of the head of a public administration department. We cannot even compare their salaries to those of congressmen, although the generals believe that they stand at a level identical to that of congressmen," Estigarribia said.

Asked whether it was not dangerous for a hierarchic institution such as the Armed Forces to discuss the budget, Estigarribia said: "It is not dangerous because they were not discussing it with another institution, but with their commander in chief. This is acceptable," he said.

Most Officers Oppose Suspension of Foodstuff Distributions

The national defense minister emphasized that most of the officers attending the meeting with Wasmosy opposed the suspension of foodstuff distributions to members of the Armed Forces. "They explained that this measure will affect the lower-ranking officers because the bonuses the congressmen want to grant in exchange for foddstuffs cannot be used in several places where the officers will be assigned," he added.

Peru

Security Forces on State of Alert Prior to Referendum

PA2910134393 Madrid EFE in Spanish 0745 GMT 29 Oct 93

[Excerpts] Lima, 29 Oct (EFE)—Peruvian security forces are currently on a state of maximum alert and have intensified surveillance operations only 48 hours prior to the constitutional referendum and following recent terrorist attacks.

A "combing" operation by military and police officers in a southern Lima neighborhood led to the arrest Thursday of more than 30 persons, including terrorist suspects and illegal aliens.

These actions, which conclude with the distribution of supplies and medical treatment to local residents, are conducted in areas of Lima considered "dangerous" due to the infiltration of terrorists. The operations are part of the security plan to guarantee the referendum is held in a normal atmosphere. [passage omitted]

Victor Joy Way, president of Congress' Foreign Relations Commission, described on Wednesday the escalation of violence attributed to Shining Path as "a desperate effort" by the terrorists to prevent the approval of the new constitution, which will be submitted to a referendum on Sunday, 31 October.

Joy Way said the terrorists know that the new constitution "includes measures that will lead to their eradication." [passage omitted]

Fujimori Threatens To Resign If 'No Vote' Prevails

PA2910133193 Lima Radio Programas del Peru Network in Spanish 1309 GMT 29 Oct 93

[Text] President Alberto Fujimori says that if the citizens reject the draft constitution in Sunday's referendum and the no vote wins, it would constitute a return to the situation that prevailed prior to 5 April 1992.

Fujimori said if this happens he might resign because Article 312 of the previous constitution would be implemented against him and he would be dismissed from the presidency. He added that if the no vote wins it will create a climate of instability, threaten the constitutional framework for investments and cause the government's economic program to fail.

The head of state added that he is not thinking of the possibility of a victory for the no vote, which would lead to an extreme situation such as the resignation of the president of the Republic and that of the entire Democratic Constituent Congress.

Fujimori Interviewed on Eve of Referendum

PA2910220593 Lima Panamericana Television Network in Spanish 0416 GMT 29 Oct 93

[Interview with President Alberto Fujimori by Jaime De Althaus, deputy director of EXPRESO, Augusto Alvarez Rodrich, editor of the Apoyo publishing house, and "Pulse" program host Guido Lombardi at the Panamericana Television studio in Lima; from the "Pulse" program—live]

[Excerpts] [Lombardi] Good evening, ladies and gentlemen. Welcome to this new edition of "Pulse." We are just a few hours away from the date of the referendum in which the Peruvian people must approve or reject the constitutional draft approved by the Democratic Constituent Congress [CCD]. Good evening, Mr. President, it was very kind of you to come. We will immediately begin the first round of questions. We want to discuss many topics with you. Augusto Alvarez Rodrich has a question. We will each ask two questions.

[Alvarez] Good evening, Mr. President. You are approaching Sunday's referendum more as an evaluation of your government than an evaluation of the constitutional text, and at certain points during the campaign you said you were confident the yes vote would be as high as 70 percent—which coincides with your current approval rating—and the no vote would receive 30 percent of the vote. Nevertheless, I would like to ask you how a result of 56 percent for the yes vote and 44 percent for the no vote would be interpreted. How would you interpret that from the political viewpoint?

[Fujimori] I would say that certain elements in the constitution had lowered the presidential approval rating, or it could also be attributed to informational distortions. When I said 70 to 30 percent, I was referring to valid votes and to an extreme, ideal position. In reality, this has turned into a plebiscite that will have distortions—I repeat—because many elements that are not constitutional are involved in the debate, such as the traditional dirty war, misleading information, etc. It is difficult to compare this referendum with a plebiscite, but deep down it has become a plebiscite. I reiterate, however, [words indistinct] that can happen.

[Alvarez] Something remains unclear to me. At the beginning of the campaign you presented the referendum as an evaluation of your government. If the results are not as successful as some government officials and you yourself have predicted, won't the higher percentage of no votes constitute a greater rejection of the constitution than of your government? This question leads to another. What would Peruvians who vote no be thinking about? Some government officials have characterized them as anti-Peruvian and so forth. Can you think of any reasons why certain people would vote no?

[Fujimori] Yes. For example, an intense campaign was waged that maintained that free education would be eliminated. This has been told to every sector, especially in the provinces. Our opponents have paradoxically linked the luxurious appearance of the schools the government is building now to the fact that education will not be free. That is a distortion that will reduce the yes vote to less than 70 percent. We are trying to spread this information as much as we can.

Arguments such as these people are anti-Peruvian or comments pertaining to their views are beside the point, in my opinion.

[Lombardi] Thank you, Mr. President. Jaime De Althaus will ask the next question.

[De Althaus] Good evening Mr. President.

[Fujimori] Good evening.

[De Althaus] It is important that citizens know the significance of their vote on 31 October. I think the referendum closes a phase that began on 5 April [1992—that date of Fujimori's self-coup]. In some way, the results of the referendum will close a phase and in this sense, the referendum legitimizes an action and opens a new political phase, a new era of political stability. Of course, this is if the yes wins. But, Mr. President, let us hypothetically look at the case if the no vote wins. To the extent that an administration is also being judged, more precisely the legitimacy or illegitimacy of that 5 April action, could this [a no vote win] eventually imply, for example, your resignation from the presidency of the Republic? Could it or should it imply the resignation of the CCD [Democratic Constituent Congress]? Is this so?

[Fujimori] Rather than closing a phase, I would say, in commenting on your introduction, that an era of progress is being opened. It will be very clearly oriented, without that pendular movement in our policy, which meant that whenever there was a change of government, there was a change in policy; whenever there was a change of minister, there was a change in the economic, education, or whatever policy. Of course, if the no wins, then a climate of political instability would be created and the framework for investments would be really threatened. If investments are reduced, then the economic program could also fail. This would have grave consequences. I have not thought about the possibility of the no winning, which could lead to extremes, such as the resignation from the presidency of the Republic or the resignation of the CCD. I have not speculated that far. But if the no wins, I would reflect on the following: Perhaps, we could then say that in the phase that would come, the 1979 Constitution would, strictly speaking, come into force. In that situation, one would have to convoke the former parliamentarians and of course, my resignation would not come just like that and they would force me to resign. This could happen.

[De Althaus] Of course, the previous dissolved congress would have to be convoked, you would have to call elections, I imagine immediately, and you could not run.

[Fujimori] Of course not; Article (?312) of the Constitution would probably apply. I would not be a resigned president but one dismissed. It could reach that extreme.

[De Althaus] In other words, you accept that challenge. You are putting things as everything or nothing. You would withdraw from the presidency or you would be practically dismissed if you lost the referendum?

[Fujimori] Of course, well.... [pauses] but I also would not be so irresponsible as to leave things like that. A transition period would have to be established, during which there could be some stability in the country.

[De Althaus] Now then, this is not what is stated in the decree to convoke elections, because in the decree to convoke the elections....

[Lombardi, interrupting] It simply says that the CCD would have to again draw up a new constitution which would in turn be submitted to a referendum. Are you not dramatizing things a bit?

[Fujimori] No, I take a realistic position in view of the opposition we have inside and outside the CCD. It is a recalcitrant opposition. They can say one thing today and tomorrow they could take a radical position. I do not rule that out and I think the people also share that opinion.

[Lombardi] We continue talking with the president about the constitutional bill and the political campaign on the "Pulse" program. Augusto Alvarez Rodriguez will ask the next question.

[Alvarez] Mr. President, in your past intervention you mentioned the issue of legislators who want to continue to live off politics. You have been one of the strongest critics of the members of the previous Congress to the point that you dissolved that Congress. In the days when you called for the convening of a new CCD, you mentioned two things: first, that the new legislators would not be allowed to be reelected; and second, that they would earn minimum wage. This is how things stand today: First, the legislators can be reelected—if the people want them—as many times as they want. Second, they do not earn minimum wage, but rather a lot more. Third, apparently legal mechanisms are being prepared that will make legislators exempt from taxes that the rest of Peruvians pay.

Aside from the fact that there should not be privileges for any sector, I personally believe a good legislator should be able to be reelected as many times as the people want and that their wages should be high to avoid temptations, etc. However, what I disapprove of—and this could be one of the factors tarnishing the yes campaign—is to offer something and later change your stance. This can be called many things, but people call it a lie when you do not keep your promises. Could this be affecting your government's credibility?

I quote an excerpt from your 1 June 1992 message: The people selected to the CCD cannot be members of this body in the following two legislatures. Maybe this requirement will be an enormous sacrifice and one that is impossible for professional politicians who lives off politics. In no way does this apply to meritorious Peruvian citizens who want to contribute to the country by giving their knowledge and experience. How many Peruvians—independents or members of political parties—who are scientists, technicians, or workers would not like to contribute to their country and are not thinking about juicy salaries?

Don't you think statements such as those could be clouding the government's relations with the people?

[Fujimori] I don't think so, because one is the opinion of the president of the Republic, and the other is the opinion of the Legislative Branch. I must point out that

we have had important savings in the administration of the Legislative Branch. We have saved so much that, if this were not the case, we would have to ask where the resources to build schools, roads, hospitals, canals, and so many projects came from. So, there have been savings.

[Lombardi, interrupting] Excuse me, Mr. President. Are you saying that the savings made in the Legislative Branch have made those projects possible?

[Fujimori] In part. Don't forget that the Chamber of Deputies members had assigned themselves 120 million soles, which at that time amounted to $120 million. I strongly criticized this. The senators had also assigned themselves more than $50 million. Thus, we have made important savings and are managing them more efficiently.

Now, I personally believe legislators should not be reelected [chuckles] in one election after another. They should have one or two terms and then go back to the people to see the real situation. However, the international community and the Peruvian opposition sector itself have stated that the Legislative Branch must be autonomous and that the president should not interfere. Is this not true? I maintain my position. The legislators should earn less and should not be reelected successively. That is my position.

However, I must say that there have been great improvements between the 1979 Constitution and the 1993 Constitution. That is what the people need to see. The people have to choose between those two constitutions, and evidently the 1993 Constitution—you know this very well, Mr. Alvarez Rodriguez—will favor and promote private investments.

[Alvarez] President, my question was not about savings. I believe that one of the things the people expressed on 5 April was their rejection of traditional politicians. The people began to reject politicians in the early nineties. One characteristic of those politicians was that they made promises they did not keep. On this specific point, I said that I sensed that people felt that a promise made to them had not been kept. This is very important for public opinion, and it could be damaging the government's image. It is one of reasons you were given so much support on 5 April. I am not saying that savings are not being generated or whatever. My specific question on the matter, I emphasize, is aimed at the bad habit of making promises that are not kept in the end.

[Fujimori] Yes, but to keep those promises would require a dictatorial regime. I stated my position. The rejection of the traditional politician, however, continues. On the day when the politicians of the dissolved Congress appear, the people will surely not approve them, either. What is important is that the new Constitution achieves several objectives. It meets our basic objective: the country's modernization. We have not kept our promise on the reelection of parliamentarians and their minimum wages. That, however, does not depend on the Executive Branch, I insist. [passage omitted]

[De Althaus] Mr. President, allow me to interrupt you, but you insisted that the previous political system did not work. However, the political system designed by this new constitution is very similar to that of the 1979 Constitution.

I think this constitution improves upon the economic aspects a great deal, but the political part is very similar. This constitution does not even establish what you were forced to do in an unconstitutional manner—namely, to dissolve Congress. This is fundamental so differences between two state branches can be resolved through legal means. This constitution does not even resolve that problem, which was not resolved by the previous constitution, either. Thus, we have not resolved the problem of democratic continuity; we have not resolved the problem of legitimacy of the political class, because there are no multiple districts. There is no change in this constitution. We will continue to have the same system, depending on how well you govern.

[Fujimori] There is no doubt that the successful application of the constitution depends on the president, and thank you for publicizing me. I can say, however, that substantial changes have been made in political aspects. We have a unicameral congress. We used to have 240 persons who talked and talked and no law was passed. Now we will only have 120 congressmen who will be able to work more efficiently because their number has been reduced. The CCD proves it because it has done an extraordinary job. We must not forget that the previous congress was completely bogged down in useless discussions that produced no solutions. You mentioned something that is very important. You said improvement has been made to the economic aspects, but I believe that is the fundamental part. Are we going to live off politics or political chicanery? The economic aspects are substantial in this constitution because they ensure that improvements will be made to the living conditions of the general population in general, that investments will be made, that unemployment will be reduced, and that more schools will be built. If the economy does not work—like it did not work for decades or even centuries—then the political and social aspects would be senseless. I think it is fundamental. As for the dissolution of congress, it has been clearly explained. [passage omitted]

[Augusto Alvarez] I noted a certain pessimism in your tone of voice. At the beginning of the program I talked about a hypothetical referendum result of 56 percent to 44 percent. On a Radio Programas del Peru Network broadcast on Saturday, Jaime Yoshiyama said he did not care if he won by one vote. We are no longer seeing the optimism that existed before. We have also heard so many criticisms of the constitution that I ask myself why not vote no and hold another referendum after changes

are made to the constitution? I would like you to explain why the government's projections are not becoming a reality.

I perceive a change in your style. In the first three years of government you were a reserved, serious politician. It was a change from the traditional politician, the one who fell into disgrace toward the end of the last decade, and somehow marks a great difference with the previous president, Alan Garcia. In the last few weeks, in the last four weeks, I have perceived a drastic change of style. We have seen pictures of you swimming with a naked torso, dancing like a (chipibo), or even speaking of things such as the 002 and 003 agents. I notice a drastic change in style, especially compared to your first three years in office. Is this a permanent or temporary change due to the election process, or what is going on?

[Fujimori] I believe circumstances call for a change. If the opportunity comes for a swim in crystal clear waters, as Mr. De Althaus himself can testify, I will go ahead and swim. A person must be natural and spontaneous. I defend freedom of expression, I defend what I think. What I thought during my first years in government and even before being elected president was that the traditional political system was simply a disaster. I said it in public. If I am given the opportunity, I will repeat it. I do not think we have to defend the country's democratic traditions, as former President Fernando Belaunde said tonight while urging people to vote no. What democratic tradition is he talking about? The democratic tradition that has led us to this terrible crisis and misery? If he were to speak about a democratic tradition that led the country to greater levels of well-being and progress, we should be defending our democratic traditions. If I have to question something, I question it, and that is why I freely express my thoughts. The conduct of the president lies within this framework. Swimming in the river is human. I have even seen Ambassador (Breischmann) swim there. It is natural. I do not think it reflects a change of conduct or that it can be compared to Mr. Alan Garcia Perez' conduct. His conduct is totally different. How are you going to confuse a plunge in the river along with the (chipibos) or drinking their traditional liquor with a populist conduct? If the (chipibos) invite you to a drink, you drink it. If you are invited to swim in the river, you do it, and you share their culture, which is important. We have to identify ourselves with their cultural traditions. [passage omitted]

[Alvarez] I want to ask another question, which perhaps will have no repercussions in Sunday's elections. The disappearance of people in La Cantuta is a topic that could either strengthen or weaken you. It will depend on the honesty with which the investigations are conducted. You said last weekend that three military officers were already under arrest. For the sake of the investigations, I would like to ask you to identify the officers. What are their ranks? Are they the same people whom General Robles reported in his letter? Finally, if they are low-ranking officers, can they claim due obedience by saying they were simply following orders from their superiors when committing an illegal action?

[Fujimori] I am sure the Supreme Military Justice Council will conclude the investigations. My conduct has always been objective, realistic, and impartial. I am not beholden to anyone. I am not married to anyone. I am not interested in who falls. I am interested in defending the truth, and I hope truth and justice prevail. I am sure this Supreme Council, which has proven to be serious, will do it. Who are they? I do not know. I do not have the names right now. If you had asked for them earlier, I would have brought them over with me, but I know they are two of the three or four persons who were accused of being involved. They have been summoned and are even in prison awaiting the proper investigations. I believe progress has been made.

[Alvarez] [Words indistinct] in the letter signed by Gen. Robles? Did you do it?

[Fujimori] The letter written by Gen. Robles or any other accusation. The Supreme Council has summoned them with arrest warrants. I do not know if they will be there three or four weeks.

[Alvarez] Could they claim due obedience, could they claim they were following orders from their superiors?

[Fujimori] In this case we are talking about a completely judicial investigation.

[Lombardi] Jaime de Althaus will ask his question.

[De Althaus] We have the impression that there is an excess of political strategy in your campaign for the yes vote. First, it seems you have been campaigning for a long time. You fill up the entire stage, and by filling the entire stage I imagine you are generating some antibodies [anticuerpos]. The campaign for the no vote is practically nowhere to be found. There is no visible spokesman in action, and the no vote campaign is operating underground, perhaps similarly to your election campaign in 1990. On the other hand, I feel the people are perceiving an excess use of political instruments, such as the letters written by Abimael Guzman, especially the second one, which is very sophisticated, very elaborate. It even justifies the 5 April actions and praises the intelligence services. It looks like something that has been handled with political purposes in mind. It is not only aimed at dissuading the terrorists, which is good and we at EXPRESO have supported it. The campaign is excessively political, and the people see this. They feel it is too elaborate and do not understand it. They feel they are being manipulated. Don't you think you have made some mistakes and gone overboard on these things?

[Fujimori] I think the public feels that there are people behind the no vote who never show their face. I am talking about the leadership of the political parties. There are incredible alliances among recalcitrant enemies now. They have been handling it quite well, but the

people know who is behind the campaign. They meet in this or that hotel. You know that. The Popular Christian Party [PPC], the American Popular Revolutionary Alliance [APRA], the Communists, and the Popular Action Party leaders were there. I cannot understand how these leaderships can reach an alliance, hold talks, and draft a strategy. Communists with PPC leaders? Alanists [reference to former President Alan Garcia]—I speak of Alanists because I do not speak of the APRA—with the people from Popular Action Party? It is a dirty alliance, and I think the people know that. I do not need to explain it.

As for the letter written by Abimael Guzman, I can tell you that Guzman is in prison. He is in a cell that measures 1.80 by 3.50 meters, including the bathroom. He is there serving a life sentence. When he entered he said: This is where I will spend the rest of my life? He has felt the rigors of prison life. It is a strictness that is being applied in Peru for the first time. It has made him reflect. He knows perfectly well that he is serving a life sentence as a result of the 5 April actions. Do you think we would have had all these antiterrorist laws if the 5 April events had not taken place? Most of the antiterrorist laws were passed after 5 April 1992. Abimael Guzman was happy before 5 April because the Supreme Court had even declared him innocent, free of charges. He is aware of all these things. Antiterrorist policy is in my hands, and I can justify it because I can show something for it. I repeat: The results came about with the changes that are now being included in this 1993 constitution. Had we not made the reforms, which you may think are quite few, we would not be able to have a chat here. We would probably be seeking shelter elsewhere. [passage omitted]

[De Althaus] Mr. President, I want to return to the subject of the constitution and the referendum. I insist on the view that its political aspects do not substantially improve upon the 1979 Constitution. It does not improve upon the issue of democratic continuity insomuch as this constitution also promotes a confrontation of powers but does not provide a legal solution to that confrontation. In other words, it does not allow congress to be dissolved without just cause. With regard to the problem of the political class, it does not return representation because there are no multiple districts [distritos multiples]. There is no personal relationship between the representative and his people.

There is another very important point that relates to a promise that you made. When you spoke about pseudo democracy, you said that in this democracy the people do not have power, that there is not a true democracy. It does not have power, partly because the local governments have very little power in Peru. This constitution was expected to give much more power, more functions, and more funds to the local governments. That is not the case. This constitution gives practically the same powers to the local governments, and furthermore it seems that they are receiving less than the previous constitution. That is regrettable, because one of the essential problems of our democracy and our state is its excessive centralism and the scarcity of actual participation by the people in political affairs. The people do not have power, do not have decisionmaking power. In that respect, our new constitution has unfortunately lost an opportunity. What do you think about this? Are you willing to modify this? Do you agree with this point?

[Fujimori] Once again, I insist that in the referendum we must choose the 1993 Constitution, which is not perfect, but it represents considerable progress over the 1979 Constitution. This is evident in some aspects. Modifying the constitution is feasible. In other words, there are means to continue to perfect it. The interesting aspect is that this 1993 Constitution has less political weight than the 1979 Constitution. In other words, it places more emphasis on the economy and the general welfare. After all, what interests the common people? The common people are not really interested in whether there are 240 congressmen. They want to see solutions to their problems.

I spoke of pseudo democracy because I understand that democracy solves the problems of the vast majorities. If what we had was democracy, then we would have to say that democracy must be thrown into a garbage can anyhow. After all, where did that democracy lead us? It led to hyperinflation, to terrorist violence, to 25,000 deaths, to crisis, to poverty. Was that democracy? That was no democracy, and that is why I call it pseudo democracy. Democracy must solve problems, otherwise it is not a democracy.

[De Althaus] I am trying to show that this constitution actually designs a democracy very similar to the previous one. In other words, if the previous one was a pseudo democracy, this is also a pseudo democracy. For example, in the case of local governments, they will not receive any more power than they had in the previous constitution. As for districts, there are not even any multiple uninominal districts. There is no direct representation. In other words, it does not solve the basic problems that this democracy had. There are no changes.

[Fujimori] At the level of local governments, all powers remain the same. They have the same powers. That is why I say that in this case it is not a political problem but an economic problem. If there are no more investments, and as a result there is no more revenue, then it will be very difficult for the local governments to satisfy the people's needs.

With regard to the single district [distrito unico], that does not change the fact that there cannot be any representatives from the provinces [sentence as heard]. On the contrary, as has always been the case in past elections, the lists must include representatives from each of the provinces. Nobody is going to vote for a list

that does not have a candidate, say, from Puno Department. I think there are solutions that are very well designed, and at any rate, these are similar to the previous constitution.

Nonetheless, there are improvements to the most important aspects, the economic and social aspects. Regarding the dissolution of Congress and the confrontation [enfrentamiento] of powers, before it was necessary to have three confrontations. Now, there are less, just two. The entire Congress can be dissolved with two confrontations. Thus, these are advances. I think that we should continue to perfect the constitution. However, the important thing is that once this one is approved, we will have a much better future.

Naturally, we are discussing here certain details, but I am sure that you and Mr. Rodrich will cast a yes vote. Forgive me for guessing what is on your mind. There are significant changes between the Constitutions of 1979 and 1993. Aside from terrorism, what is the reason why no additional investments have come to Peru with the 1979 Constitution, when there have been governments of Popular Action [AP], the Popular Christian Party [PPC], and later the APRA? The investors felt threatened.

A few days ago I heard something that seemed very threatening. I heard someone with authority say that this Constitution would make Peru fall prey to foreign capital. I would ask him, how could we then exploit (el Gad de Camizera)? That requires foreign capital, but why are we trying to scare away foreign investment just a little? We have been unable to surpass such inconsistencies. How can we try to attach top importance to national capital in the face of foreign capital?

Today I stated to reporters that there is no great behavioral differences between those two capitals. Peruvian capital has fled the country, which you know perfectly well amounts to approximately $10 billion; in other words, it behaves the same as foreign capital. Where have they settled? In Miami, Chile, and Bolivia, producing industries. What is the difference between national capital and foreign capital if we do not provide the adequate conditions? Let foreign capital come, to exploit—in the conditions we seek and impose—and create wealth. Who was going to take the former (?Benco Petromac), which was turned into a mess, into scrap metal? There is an international company with foreign capital, (Petrotech International), that is going to pay $20 million annually plus royalties, which will fluctuate between 15 percent and 25 percent. I wonder, is there any national capital for taking over (?Petromac)? None, because all the capital has fled. Repatriating Peruvians' capital and bringing in foreign capital have to be done. In Peru we want to create jobs, investments, to put to work all mines and economic activities.

[De Althaus] If that is true, that the Constitution is granting....

[Fujimori, interrupting] That is true, and don't tell me otherwise; that is true.

[De Althaus] Mr. President, I am saying this, because perhaps there is a contradiction between your economic message and your political message. Economically speaking, if you give economic freedom you are allowing the economic energies to decentralize the economic decisions; then the state does not interfere and allows economic energies to release and develop....

[Fujimori, interrupting] With the 1979 Constitution....

[De Althaus, interrupting] Then, in turn with the 1993 Constitution...

[Fujimori, interrupting] Allow me. Look, I let you speak....

[De Althaus, interrupting] You are interrupting me; you are not allowing me to voice my ideas. What I want to say is that....

[Fujimori, interrupting] That is what freedom of expression is all about. [laughs]

[De Althaus] What I want to say is that the same would happen in the political field, in theory. If you decentralize power, you will see that many local energies will be released and will allow much more development than if you want to concentrate everything and control it from above. I have the impression that because you have solved certain problems that were truly serious in the country, you think that you can solve all problems. You are unwilling to decentralize power, to return power to the people through their local governments; in addition, because you do not really have mayors—and many mayors belong to the opposition parties—that is why there was some sort of a plan not to decentralize and not comply with this national objective of strengthening the local governments, which are too weak in Peru. Is this true?

[Fujimori] That is not right. I am telling you so. I flatly state that. Yes, in fact, we have not participated in the municipal elections, but I visit all the small towns that time allows. We do not have any mayors, but we have excellent relations with the mayors from various political trends who are not receiving any orders from their respective parties and with whom we have very fluid communications which allow us to solve certain problems. There are mayors from the United Left Coalition, many mayors from the APR. Many of them—I would dare say—the majority....

[De Althaus, interrupting] No, I would say the majority belong to AP.

[Fujimori] What the Constitution now proposes is a framework that will allow the people to decide to which region they belong. Moquegua and Tacna, for example, might say they want to be part of the Jose Carlos Mareategui Region. Apurimac Department might want

to form its own region. This is the political framework that makes this Constitution more democratic.

Allow me to say quite honestly and directly that it is not that I have resolved certain problems. There have been very serious problems, but on 28 July 1990 Peru could not take any more. Now we are able to say that we will succeed, but it is not a centralist issue; otherwise, how could we explain that there are projects under way all over? Do you know how many kilometers of canals we have built? Some 4,000 km in one year. How many classrooms in the [word indistinct]? Three thousand classrooms.

What is FONCODES [National Fund for Social Development and Compensation]? It is the institution that allows decentralization of the way given resources are used which are not administered by the government. They are given to an executor nucleus, which can be a mayor or a community. For the first time [words indistinct] mechanisms are being applied....

[De Althaus, interrupting] [Words indistinct] like a FONCODES executor nucleus. That, in essence, is your view of what mayors are.

[Lombardi] Come on, Jaime.

[Fujimori] No, there are other mechanisms also.

[Lombardi] Very well. The next question will be asked by Augusto Alvarez Rodrich.

[Alvarez] Mr. President, at 1700 on 31 October on this same set, Don Humberto Martinez says he will broadcast a flash report of the results by Apoyo. This will be, in fact, the final whistle to end the referendum, but it will also be the initial whistle for the great contest that will follow as well as the basic issue—the upcoming presidential elections.

I have asked you a number of times during different interviews if you are going to be a candidate and you always answer: No, I will not be a candidate. Allow me to doubt that. I do not believe it. I believe it would be most normal for you to seek reelection, because all of your political actions point in that direction. Have you thought of a different theory? Of saying in 1995 [as heard] that you stopped hyperinflation and defeated the Shining Path and now you want the people to see that 5 April was not intended, as they thought, to seek reelection. I got this far. I am getting off the wagon, and I will defend my ideas from below.

Don't you believe this would give you a much more active role, even in Peruvian politics, that in the polls on power the following year you would be the first Peruvian who, without being president, could be at the top of the list? Is this option of resting up and then in 2000 running against Alan Garcia, when few people would remember what happened in 1990, attractive to you? You would play the match of the end of the century.

[Fujimori] That is why I have not made up my mind. That is a possibility. I am not committed to reelection. If we are working intensely and very hard it is because we want to resolve the country's problems and lay the foundations for development. I am not working for reelection. The alternative you have offered is a possibility I have not dismissed.

[Alvarez] One quick question: 65 percent of the polls say that people support your administration. Meanwhile, there is a maximum of 45 percent that support your reelection. What could be happening to create that 20 percent disparity—those who approve of you but would not be willing to reelect you for another five years? Have you thought about this?

[Fujimori] No. The truth is that I have not thought about it. Those of you who work with the Apoyo polls might look into this. Forty-five percent is high, 65 percent is among the highest in the world, and 70 percent in Lima must have some explanation.

[Alvarez] What you do not like are those people who say yes, but there is a problem. [sentence as heard] We must consider why they are hesitating.

[Fujimori] Unquestionably. Nevertheless, because I am not working for reelection but, rather, to resolve the country's problems, and because I am doing this with facts, it is not an issue I have thought about. I would like an impartial governmental organization to conduct a poll because this is an issue we never talk about. It would be interesting to see why they are hesitating.

[Lombardi] Apart from whether or not you are thinking about reelection, Mr. President—and this is the final question—I do not clearly understand why you are in favor of presidential reelections and against congressional reelections—especially considering that you have said you favor multiple electoral districts that would allow any congressman who has been efficient and remained in touch with his electorate to be reelected. There seems to be a contradiction there.

[Fujimori] In the case of congressmen, I believe they should be in touch with reality. They should go to their towns, see their situation, and assess what is happening there. The president of the Republic is permanently in touch with that reality, with the limitations, and even with frustrations imposed on the people and even on the president himself.

I believe the mechanism of reelection is much more democratic if it is decided by the people and not by a small group of people aspiring to the Presidency. I do not believe reelection goes against democratic principles and that there should be a fear that state resources might be used. On the contrary, the people have the best nose for situations such as this, and they can mete out punishments. If such fear were a reality, we would not have to elect a president because we cannot have a president who after a couple months begins filling his pockets. The risk of that is similar. On previous occasions... [pauses] I do

not believe, for example, that had this possibility existed, President Belaunde, who is so opposed to reelection, or Mr. Alan Garcia would have won. They would have garnered 5 percent and 3 percent of the vote, respectively. I believe the people are sovereign. Let's give them that power. Let's return that power to them. [passage omitted]

Interview on 'Saturday Focus'

PA3010213193 Lima Radio Programas del Peru Network in Spanish 1400 GMT 30 Oct 93

[Interview with President Alberto Fujimori by "Saturday Focus" program host Dennis Vargas Marin, Ismael Leon, and former LA PRENSA Director Arturo Salazar in Lima; from the "Saturday Focus" program—live]

[Text] [Vargas] Good morning ladies and gentlemen. We are a few hours from an important day for the Peruvian people. For the first time tomorrow, 31 October 1993, a constitutional referendum will be held in our nation. Over 11 million Peruvians will again go to the polls to make a choice; to say yes or no to the constitutional text approved by the Democratic Constituent Congress.

This morning we received a pleasant visit from the president of the Republic, Engineer Alberto Fujimori. They say that regardless of how short life may be, there is always room for courtesy. Thus, we are going to talk with the president; we will devote the first half hour of the program to a discussion of interesting issues with the president. He must surely have some information for us because everyone knows that today it is not permitted to discuss electoral propaganda pertaining to the referendum. I know the president knows this very well and so I welcome him to this first half hour of the program.

Good morning, Mr. President. How are you?

[Fujimori] Good morning.

[Vargas] Thanks for the visit.

[Fujimori] I would like to take advantage of RPP [Lima Radio Programas del Peru Network] programming....

[Vargas, interrupting] "Saturday Focus."

[Fujimori] "Saturday Focus," to urge and encourage the people to participate multitudinously in tomorrow's civic event, thus again displaying their civic-mindedness. I would also like to indirectly tell them, once again, to reject the violence that has been used over the past few years to boycott elections. I believe the citizens' multitudinous participation in this referendum will again prove the Peruvian people's desire for peace.

[Vargas] Speaking about a boycott, Mr. President, I would like some sort of reading; your interpretation of recent events. Yesterday afternoon we were informed of what could be described as a third letter from the Shining Path hierarchy; in this case additional names were included, such as Martha Huatay, Osman Morote, Rosa Angelica Salas, and Maria Pantoja. This circumstance prompts me to comment that the Shining Path hierarchy is still struggling to achieve a peace agreement with the government. Therefore, I ask, how do you interpret this contradiction? On the one hand terrorists are acting on their own; they cut off power in Lima, Peru's capital city, and other cities in the interior; attacks have been staged against various banks, and in the midst of it all there is a third letter. What are we to understand by this? This is totally contradictory and counterproductive, Mr. President.

[Fujimori] It would be the fourth because I have not ordered publication of the third letter.

[Vargas] [Words indistinct] you have the letter.

[Fujimori] Yes, I have the letter. This fourth letter contains an interesting aspect that I believe is important. First, it is signed by several of the most well known members of the Shining Path, such as Osman Morote, Rosa Angelica Salas, Martha Huatay, and Maria Pantoja. Pantoja has a certain seniority within the Shining Path, thus the weight she carries. The contents of the letter are important and interesting. It issues a summons or a warning, does it not, to its members, alerting and summoning them to prevent the realization of desperate and adventurous actions.

I believe these are the most important points in the letter and also that it is signed by the four most widely known members of the Shining Path outside of Elena Iparraguirre and Abimael Guzman.

There have been power outages and a few attacks but two things stand out. One of them is that it is unquestionable that, as has been said before, the Shining Path has a most radical left wing as well as a right wing, so to speak. [laughs] Shining Path speaks in terms of left wing and right wing. The left wing may not heed what the right wing says. The other issue is that the letter was just published and last night's power outage had nothing at all to do with it. To destroy a tower requires at least eight to 10 hours of preparation.

[Vargas] That means the attack was planned before the letter was released.

[Fujimori] Of course. It was planned before.

[Vargas] However, there is one thing we can get out of the letter, Mr. President; it is something that attracts one's attention. One paragraph says: We alert and urge our membership to maintain strong surveillance against any desperate, adventurous, or provocative actions by third parties, because that will only undermine and hinder the success of the proposed peace agreement. The letter warns strongly against such actions and resoundingly and immediately denounces them. In other words, Shining Path members must betray each other to see who organizes or plans terrorist actions. How did you accomplish this and how do you interpret it?

[Fujimori] It is evident that the Shining Path hierarchy, Elena Iparraguirre and Abimael Guzman, established this position which I characterize as a withdrawal, to say the least. A temporary case, if you will, but it is evidently a withdrawal.

[Vargas] In the style of Mao?

[Fujimori] It could be. However, a withdrawal is evident, and its effect on the Shining Path will be very harsh. This was the case with the Golden Seal people. When they became aware of Abimael Guzman's position, which is totally opposite to theirs, they virtually rebelled. I believe this may continue to happen. Now, when the Shining Path tells its members to denounce others, there is more to it than that. It is a categorical, definitive order that must be fulfilled.

[Vargas] We are to understand, then, that last night's incidents and the terrorism of yesterday and this morning were perpetrated prior to the issuance of this order?

[Fujimori] Yes.

[Vargas] Ismael Leon. Good morning.

[Leon] Good morning, Dennis. Good morning, Mr. President. Regarding this, what assurances do you have that the leadership group has not been replaced by another Shining Path leadership group that is free and able to take action? One may assume that this organization must have taken precautions for the case it is facing at this time. In other words, with a large number of its leaders in jail, it is not easy to admit that imprisoned Shining Path leaders continue to be the political leaders of the movement, especially under the isolation to which they are subjected.

If they are incommunicado and are not in contact with other members, not even relatives, they obviously do not have the capacity to direct, organize, and control anything. Then, they must have been replaced. What evidence do you have in order to assert that jailed Shining Path leaders continue to be the political leadership and have not been replaced?

[Fujimori] We all know that 90 percent of the Shining Path leaders are in prison; most of them have life sentences. We must not then forget that 10 percent of the leaders are still at large. They follow the directives of Abimael Guzman and Elena Iparraguirre. When 10 percent of the leaders receive a message, they are receiving an order to be carried out. The order given by these leaders to be executed implies that many will have to abide by it, under the risk of being submitted to the regulations of the Shining Path.

We must not rule out—we must be very careful in this and not be overconfident—that there may be a hard line in the Shining Path that could disobey this message. But in general, it is known that Abimael Guzman and Elena Iparraguirre have a strong hold on the Shining Path, because he is the ideologist of this movement.

[Leon] Yes. In this type of organization, the hardliners end up being hard on themselves. They start killing each other.

[Vargas] Ismael, I would like to make an observation, Mr. President, don't you think that you are being somewhat overconfident when you announced on radio and television the date and hour for the conclusion of terrorism in Peru, and a few hours later there was a terrorist response. You have the examples of the terrorist attacks and power outages. How do you analyze this situation?

[Fujimori] No. I have said that the MRTA [Tupac Amaru Revolutionary Movement] will be dismantled this year and that the Shining Path will be dismantled in 1995, when my term in office expires. I predict that from now until July of 1995 there may be attacks and there will be attacks. There will be criminal attacks and the usual actions by the Shining Path. But we must continue to establish our goals. Goals are very important and must not be confused with overconfidence.

On the other hand, no war can be won amid pessimism. We must continue to advance. There will be attacks in 1995, because otherwise we could say that the war is over now. I have never said the war is over.

[Vargas] Arturo Salazar.

[Salazar] Mr. President, have you considered the possibility of a double game, namely, in one hand I offer peace and in the other I maintain war? Don't you think this falls under the framework of a finely designed strategy?

[Fujimori] We have considered this possibility, because before airing the Shining Path leaders' position we conducted an in-depth analysis. I don't think we have been wrong, because the announcement by Abimael Guzman and Elena Iparraguirre has had a great effect on the remains of the Shining Path. The best example of this is the Sello de Oro case, in which 100 members defected: 24 in Alto Huallaga and 16 in Valle del Mantaro, [numbers as heard] This demonstrates that the position of Abimael Guzman and Elena Iparraguirre has caused anxiety and demoralization among Shining Path members. This is not the same directive they had received. Never before had 250 Shining Path members defected in less than 15 days. There were only isolated cases of terrorists surrendering to authorities.

[Salazar] You said that 10 percent of the Shining Path leaders are still at large. On what is this estimate based? The latest Shining Path attacks have demonstrated great efficiency. Knocking down power pylons and leaving several cities without electricity is not an easy task. This indicates that there is a great deal of planning behind it, and this cannot be improvised.

[Fujimori] Evidently, the 10 percent of the leaders who remain at large have the capacity to strike.

[Vargas] Are you saying that the strategists and best planners are part of the 10 percent still at large?

[Fujimori] Yes, yes that is correct. We also have two fields here. One belongs to those strategists and ideologists who work on the attacks and the power outages. Then, there is the other major front that was practically untouched—the military front. For example, that is where the so-called armed fighters are located. They are the ones who are demoralized.

[Vargas] Yes, but there is a considerable amount of planning behind all of that.

[Fujimori] They have planned these attacks, and this can be done with 100 men. Let us not forget that.... [pauses] that is why I am very objective about this, and I base my statements on numbers, statistics, and their true capacity. Let us not forget that the Shining Path probably still has about 1,000 firearms. We must recover those weapons. If they still have 1,000 firearms, this means they still have a certain capacity to fight.

[Vargas] We are surprised at the figures you are giving us.

[Fujimori] Well, we have statistics. Up to last year, there were approximately 2,800 to 3,000. We have been recovering them very quickly.

[Salazar] Mr. President, there is something that attracts my attention, although it may be explained very easily. Lately, when you refer to this band you have changed your language very much. They are no longer the infamous assassins, the sinister terrorists, the enemies of the country; they have become a political group, and I just heard you call them strategists. In other words, you have changed your verbal treatment of them. I want to ask you: Has this change in language also translated into a change of the conditions in which the Shining Path leaders are imprisoned? In other words, have the communications conditions changed? How about the strict isolation? Has this changed, and in exchange for what? How have these conditions changed following the signing of these letters?

[Fujimori] I think that evidently we have two audiences here: One is the vast majority of the population, which is nearly unanimous, and the other is Shining Path members. Evidently, in this case we have to address those Shining Path members, because we do not make any specific calls on the population in general, because they are on the side of peace, the government, and democracy, and we have absolutely no doubts. Evidently, there is some psychological way of reaching Shining Path. At no time have we stopped using the term terrorist. I have consistently used that term to replace the term subversive. Take notice of that. That is very important from a psychological point of view. We have not stopped calling them assassins either. I have just said they are criminals. Here, we have talked about strategy. Evidently the Shining Path also has its strategies. There is no doubt about that.

On the other hand, the Shining Path leadership's message is so stern that it leaves no room for doubt. There are no differences in the treatment, because they remain in their own cells. They have 30 minutes to step outside the cell, and that is all. However, when they have asked....

[Vargas, interrupting] How about the ones who were in Puno? Have they returned to Peru? For example, (Morote)....

[Fujimori, interrupting] I think they are still in Lima, because this meeting was held two nights ago, and every time they are moved around this is done under strict security measures.

[Vargas] Is this a summit of Shining Path members, of the leadership, is that it? Is this some sort of convention?

[Fujimori] Well then, Mr. Dennis Vargas Marin, you are improving the verbal treatment. [laughs]

[Vargas] Well then, how should we consider this?

[Fujimori] Well, it is just a meeting of the members of the leadership.

[Vargas] Why of course! And speaking of the leadership, when are you going to disclose the contents of the third letter? What does that third letter say?

[Fujimori] That will be something for history.

[Vargas] It does not have any repercussions? It is not advisable to disclose it at this time?

[Fujimori] No, it is not advisable.

[Salazar] I wonder what it says.

[Fujimori] Well, actually, it is a state secret.

[Vargas] Nonetheless, it is very interesting. You leave us concerned. After all the great enthusiasm to show the letters, now it turns out that the third letter cannot be disclosed.

[Fujimori] Of course. As you very well understand, we have here a case of handling communications. The purpose is to seek the pacification of the country.

[Vargas] We understand.

[Salazar] Mr. President: I wanted to ask you a question. I feel that in the struggle in general against terrorism and the Shining Path there are three aspects. One is ideological, another is psychological, and the third is military. I think that in your strategy, you have developed very well perhaps the first two.... [pauses] the last two. Then, what about the ideological aspect?

[Fujimori] Well, I would call that the political-ideological aspect. That is the most complicated part, and the most expensive and difficult one. However, I would say it could be won in a specific manner. I will give you an example of something that many have experienced.

There are areas that have been thoroughly infiltrated by Shining Path, which has control over entire settlements and towns. Shining Path used to wield the usual complaints against the state, describing it as a bourgeoisie, corrupt, bribe-paying state that never thought about the poor. In very simple terms, they would say: What has the state done for your well-being? Has it given you electricity and water? Where do your children study? In those huts?

In my opinion, this is a political and ideological struggle that must be handled very effectively and practically and with conclusive results. Enter the state, which tells the people, here is your school. When Shining Path comes and asks what the state has done for the children's education, the people need not answer because the school will be right there as evidence.

[Salazar] Mr. President, is there or is there not a coincidence between Abimael's rejection of the state as it was in the past and your rejection of the state as it was in the past?

[Fujimori] I do not believe there can be any doubt the Peruvian state...

[Salazar, interrupting] If, however, you agree with Abimael [words indistinct].

[Fujimori] Let's not talk about coincidence, because I cannot agree with Abimael Guzman. There can be no doubt that the state was a failure if you judge it by the results it obtained. A state is defined by the results it obtains. The state was inefficient. I will not characterize it as bourgeoisie or bribe-paying, but it did not work. It left a void.

[Salazar] Mr. President, do Guzman and his hierarchy know the referendum will be held tomorrow?

[Fujimori] Yes. They were informed a few days ago.

[Salazar] Through the government, of course.

[Fujimori] Through the so-called Agent 002.

[Vargas] Does this mean that to obtain those letters the government had to provide a certain amount of information? It is unthinkable to believe Guzman and his people would sign letters without being aware of the current situation.

[Fujimori] That is true...

[Salazar, interrupting] Therefore, they know a referendum is being held, and they are aware of the government's intentions with the referendum, and they objectively agreed to sign this letter knowing that it will help the government?

[Fujimori] If you break it down that way, you will come up with an odd determination on the part of Shining Path's hierarchy to support the government, and I do not believe this is the case.

[Salazar] But is it not so, objectively speaking?

[Fujimori] In practice, of course, because if pacification is accomplished it would constitute a success for the government. We are working on all fronts.

[Vargas] Here is the final question, Mr. President: When will you disclose the third letter? I must insist on this out of journalistic curiosity.

[Fujimori] When we can say the Shining Path has been dismantled and we have a few other documents to that effect.

[Vargas] A commitment, right? Rather, a declaration of a commitment. To conclude, what will you do tomorrow, the day of the popular consultation? Will you do the things you did during the 1990 elections and the municipal elections, or will you continue to tour Peruvian towns? What can you tell us, Mr. President, and where will you vote—in the same place?

[Fujimori] In terms of the polling stations, presidents have always voted at the Foreign Ministry, but I have departed from that custom and will vote at my polling table despite the risks involved. I believe tomorrow is an important day, because tomorrow Peru will mark a historical milestone—its first referendum. This will prove to be a good experience, one of the first referendums in Latin America, with the exception of Uruguay.

I also would like to say a few words on the eve of the vote. First, the Army and National Police have adopted all necessary measures to guarantee total tranquility for the realization of this process, as they have always done with great sacrifice.

Second, it is interesting to see how the people have lost their fear of terrorism. Proof of this is that following the explosion at the Crillon Hotel, people remained in the lobby. No one withdrew from the lobby where the casino is located, and this is an important fact. In other words, we have made a good deal of psychological progress in this area. Since the Chusqui incident there has been an escalation of terrorism, but now the people are reacting very positively, and I am sure this will manifest itself tomorrow with a great turnout for the referendum. Once again, Shining Path, the Tupac Amaru Revolutionary Movement, and violence in general will be defeated by the people's attitude and conduct. I believe this is a very important fact.

It is my custom to tour poor neighborhoods. I am on my way to one right now. Instead of touring parks, I visit these areas.

[Vargas] But not for political propaganda, because that is prohibited today.

[Fujimori] No, no. I am going to inspect projects as usual.

[Vargas] Mr. President, thank you very much.

[Fujimori] Thank you, you are very kind.

CCD President Discusses Referendum's Effects

PA0111053493 Lima Panamericana Television Network in Spanish 2330 GMT 31 Oct 93

[News conference by Jaime Yoshiyama, president of the Democratic Constituent Congress, with unidentified foreign and domestic reporters at the Crillon Hotel in Lima—live]

[Text] [Reporter] I would like to know if your were able to foresee the results of the referendum, and how do you interpret the fact that the no reply received such a high percentage of the vote?

[Yoshiyama] We have been following the polls, but I believe the most important thing now is not to analyze the numbers as such or to stress the differences. I believe the most important thing is to recognize that the Peruvian people and democracy have emerged victorious, because we now have a Constitution. We would rather work on the national agenda ahead of us, instead of talking about the yes or no options. We have plenty of work to do to implement this Constitution, and, therefore, this is the important issue we would like to highlight.

[Reporter] What do you expect from the opposition? What will the majority do? The opposition is noting the small margin between the minority and majority, which was a 44 to 50 percent. What do you expect from the opposition, and will you coordinate with them in carrying out your work?

[Yoshiyama] Beginning Tuesday, what we are going to do at the Democratic Constituent Congress [CCD] is work hard on several issues included in the national agenda. The first issue is to try to formulate the 180 bills we need to implement the 1993 Constitution. We must move on with the economic reforms process. This will allow us to deliver what we have been saying throughout the campaign: We need to bring more jobs and more local and foreign investment to bring to Peru.

We are fully aware that it is absolutely necessary to continue with the country's moralization process. Another issue on the agenda is aid for the more needy sectors, in the form of water, drainage, and electricity for the poverty-stricken areas of the country. All in all, I think the work that lies ahead is very demanding, and we have made a commitment to keep up the pace now that the constitutional debate has practically concluded.

Obviously we feel optimistic. We are very happy, because this is the first time in the history of Peru that we have held a referendum. I think the message here is very clear in pointing out that, in terms of the vote, the size of the minority is significant. We are listening very carefully, and we will interpret the no vote appropriately. Nevertheless, I also think we have received a majority decision from the Peruvian people—a majority that has approved a modern Constitution that we believe will improve Peru's situation.

[Reporter] During the past 16 days, support for the no vote rose by approximately 13 percentage points. Some people have even said that, if the election had taken place 10 days later, the overall outcome may have been different—that the no vote may have received greater support. What self-criticism can the government draw from the results?

[Yoshiyama] I think that what you are asking falls into the realm of speculation. With all due respect, I think that if the elections had been held next week, we may well have very well had the same results. This is why I insist we address the issues we will have to include on our future agenda. The country should not speculate about what may have happened in the future. Being the practical people that we are, I would say we must get to work on Tuesday on the issues of the national agenda.

[Reporter] Mr. President, the people have now ratified the Constitution approved by the CCD. You recently said that this would resolve the country's problems and that billions of dollars would be coming in as loans to pull the country out of the recession. Will this CCD victory, with the approval of the new Constitution, confirm your claims? Will there be loans to extend the country's agricultural frontiers? Will we be able to overcome the recession? Will wages of professors and workers be increased?

[Yoshiyama] Listen, as the entire country knows, this is a modern Constitution. By the mere fact that the economic system is included in this Constitution should make one realize that it is a constitution that will definitely attract foreign and domestic private investments, no matter whether they are small, medium, or large.

We are convinced that with this Constitution's approval—and, for the first time, by way of a referendum—we are giving the country and the entire world a set of clear and transparent rules. This is why we are absolutely sure that, starting now, the capital we need to generate more jobs will begin to flow into the country.

I also want to tell you that since the constitutional debate is now over, we are going to continue with topics which, regrettably, were not completely clarified during the discussion of this constitutional project, such as the issue of free education. We have definitely said in this Constitution, as well as in our remarks, that education at the elementary, secondary, and university levels will be free of charge. This is why, starting now that the preelectoral debate has ended, citizens will realize that there has never been a time at which we have tried to deceive the Peruvian people.

[Bauer] My name is Engineer Richard Bauer of the Swiss press. You have approved this Constitution. What will be the most important laws that must be promulgated

now? The Constitution leaves much room for promulgating different laws. What are the laws that must be promulgated first?

My second question is this: Who will promulgate the Constitution? Will it be the president or the CCD? And my last question: Is it possible to convene presidential and legislative elections before 1995? Thank you.

[Yoshiyama] Thank you very much for your questions. I am confident that the 1995 general elections will be held as scheduled, both for the presidency and Congress, or the new parliament.

On the other hand, we have a series of constitutional obligations in implementing the 1993 Constitution. For instance, we have given absolute priority to all laws necessary to achieve the country's decentralization. We must also revise the system of political parties. A new law on political parties is needed. A new law on the electoral system is needed.

On the other hand, the National Council of Magistrates also needs a series of laws to be implemented. The education laws must also be adapted to the new Constitution. This is what I wanted to mention.

[Reporter] [Words indistinct] Peru. Just days before the referendum, the presidents of the most important industrial and business associations, such as Confiep [National Confederation of Private Business] and the National Association of Industries [SNI], said that if this new Constitution were to be approved in the popular consultation, the tax system should be reorganized, technically incorrect [antitecnico] taxes repealed or drawn back [preceding two words in English], and tax returns reorganized. What would be your answer to these businessmen following the referendum and the approval of the new Constitution? Will businessmen and industrialists enjoy large benefits to increase production and exports?

[Yoshiyama] Excuse me, but I did not completely understand your question.

[Reporter] Just days before the referendum, the presidents of the most important industrial and business associations, such as Confiep and the SNI, asked that if the new Constitution was approved, the tax system be reorganized and that technically incorrect taxes, as well as other taxes, be returned. What do you say to this?

[Yoshiyama] Well, we in the CCD have not received a proposal to modify taxes from the executive branch. I believe that if the Economy and Finance Ministry sends us a proposal on the cancellation of some taxes—taxes we deem to be, overall, technically incorrect—the CCD will discuss it as part of its normal working agenda.

[Reporter] [Words indistinct] Canal 11. How do you interpret the fact that in depressed areas, such as Puno, the no vote won in an overwhelming manner?

[Yoshiyama] Probably in those areas... [pauses] We have been carefully observing the development of the voting in some of the most depressed areas of the country. For instance, in specific cases, we have observed that, regrettably, in some areas we were unable to explain in very clear terms some controversial issues, such as the death penalty, free education, and labor stability.

Those of us who have been to Puno, for example, were able to see that in some cases the people were misinformed. For example, on the matter of free education, many citizens in Puno told us they believed free education was going to be eliminated. As for the topic of the death penalty, they believed a large number of innocent people were going to executed as soon as the Constitution was approved. On the matter of job stability, they felt there were going to be mass firings. I think there was misinformation, and this is why we believe the no vote was large.

[Reporter] We did know until now that 55 percent voted yes. Do you think this 55 percent also corresponds to the approval rating of President Fujimori [words indistinct].

[Yoshiyama] What I can tell you is that the president, the executive branch, and the legislative branch, meaning the members of the New Majority/Change 90 [C-90], have to analyze and read carefully the no and yes votes. First, I think we cannot hide this situation. Second, I would like to tell you that the popularity of President Fujimori is way above the 55 percent level that we may have obtained. This means the president's popularity does not carry over to the constitutional referendum, just as we were unable to carry over the president's popularity to the CCD elections. If you will recall, the New Majority/C-90 group garnered 50 percent of the votes in the CCD elections. Today, we are garnering a 55 percent vote.

For that reason, there has been an increase that pleases us a great deal. To conclude, I would like to say... [pauses] In addition, there are sectors that in our modest opinion agree with the president's handling of the country but that do not support a specific topic like the death penalty. Voting their consciences, they voted no. This is our interpretation. As I said, this will be the subject of future analysis.

[Reporter] I would like to mention that the referendum contained topics that are highly controversial, such as job stability and free education. I would like to know, in view of the percentage the no votes in this referendum, if these topics will be somehow reconsidered when the time comes to regulate the Constitution.

[Yoshiyama] We have witnessed a decision by the majority of the people without any arrogance, keeping the full scope of this decision in sight. We think that the Constitution was approved as it was drafted, and we plan to implement the entire Constitution the way it is written. Any human work can be improved, and we have said this with all modesty, because we modestly think some parts of it can be improved. This is precisely why

the corresponding chapters of the Constitution clearly state how the Constitution is to be amended if it is necessary to amend it. I will tell you this: We are totally convinced that, with this Constitution, Peru has gained much, and with this modern Constitution we will attract private investors, be they Peruvians or foreigners. We are also convinced that, with this Constitution, the number of jobs will increase. I thank you very much.

[Reporter] I have observed the questions you are being asked. I have noticed some of them express doubts about what the government is doing. Nevertheless, I do want to be a loyal witness of what is happening in Peru today, and not the Peru of five years ago—of which I do not want to speak about—or of the Peru of 30 years ago when Peru started to fall. I am a witness, and I want you to testify to this, of what the new policy—of what I call the new Peru—is doing.

I think the Constitution is the result of what has happened in the country. After 30 years, we want to modernize it; after 30 years, we want to open the country; and after 30 years, we want to invite in domestic and foreign capital.

Engineer Yoshiyama, I want to ask you: Inasmuch as the stock market is a barometer for confidence and for what is happening in the country, what do you feel the Lima stock market is offering today? When we received the stock market, it had a daily exchange of $200,000, and today it has an average daily exchange of $12 million. What do you think about this? Is this not confidence?

[Yoshiyama] Thank you. Actually, I must say that in fact, the stock market is a good barometer of what is happening in the national economy. As you said, in the times of the previous government, the transactions amounted to $200,000 daily. Today, these practically amount to $12 million, which, in the first place, shows that the government is being quite successful in the struggle against terrorism.

In Peru there is definitely an atmosphere of great optimism. Tourism also has grown at the same rate as the stock market. In addition, the serious management of the economy has produced this increase in the stock market. In addition, the stock market has played a very important role in the process of privatization, and I hope it will continue to do so.

To conclude, I would like to say that I am very happy, because all day long I have observed that the electoral process has been conducted in a clean and transparent manner. We have had OAS observers here. I personally feel that these elections are impeccable, and I would like to thank all of the media that came to Peru and that have been able to report to the international public about this event. I would also like to thank the Armed forces and the police for their protection, and, above all, I want to thank the Peruvian people, who, through their exemplary behavior, have shown once again that democracy can be united with prosperity, because this Constitution will serve to create much more prosperity in Peru. Thank you. [applause]

CCD President on Unofficial Projections on Referendum

PA0111000793 Lima Panamericana Television Network in Spanish 2222 GMT 31 Oct 93

[Interview with CCD President Jaime Yoshiyama by reporter Alejandro Guerrero in Lima on 31 October—recorded]

[Text] [Guerrero] We are here with Jaime Yoshiyama, the president of the Democratic Constituent Congress [CCD], to hear his opinion on the unofficial results. What is your opinion on these figures?

[Yoshiyama] I think this... [pauses] I feel deeply moved after all the hard work we put into this, because I believe the people have voted well and, as I said this morning, I think the people are wise and have chosen the better option. This is a victory for Peru and for democracy. I would like to express my joy for this show of democracy.

[Guerrero] There is a 10 percent difference between the yes and no answers. That is a 10 point disparity. Do you think this is enough? Is this enough support?

[Yoshiyama] I would rather not discuss percentages or differences. I would say that is a topic for the political experts and analysts. I believe the important thing here is that we have a Constitution, Mr. Guerrero. We have a modern Constitution that will allow Peru to improve. That is the most important thing. Furthermore, we have been watching the results of this election together, and we have seen the mass agreement of the citizens. This has been a clean, honest process. It has been supervised by the OAS, and, therefore, Peru's victory here is undoubtable. This is why I am very deeply pleased, as you can see, Mr. Guerrero.

[Guerrero] Yes, I can see you are very pleased. As you said, Peru has a new Constitution. Will this Constitution make it to the year 2000?

[Yoshiyama] Why, of course. I think we Peruvians should feel very happy. This is the first time in the history of Peru that the people have been consulted on such an important issue, and they have wisely said yes to this Constitution. I think we should all congratulate ourselves.

I also would like to thank the many people who have worked long and hard on this Constitution. First, I thank the 80 members of Congress; second, the Armed Forces, because the Armed Forces and the police have protected the process against terrorism, which, by the way, is being beaten; and third, the media. Mr. Guerrero, I would like you to pass along a very special salute from the president of the CCD to all members of the media. Throughout the nine months of this debate, the media have disseminated

the whole Constitution all across the country. The fact that we have these results at 1700 is an example of the media's high degree of technology.

Finally, we must thank the Peruvian people. I think the Peruvian people are making an enormous sacrifice. They have been making a tremendous sacrifice for the past three years. I believe this sacrifice will not have been in vain, because we must all be very optimistic about this Constitution. This is the most important thing.

[Guerrero] What work lies ahead for the Congress now?

[Yoshiyama] Exactly what I was telling you about earlier. Instead of discussing whether the percentage or difference between the yes and no votes is small, medium, or large, I think the entire country should devote itself to look into what we must do starting the day after tomorrow, considering tomorrow is a holiday. We must look into the issues of the national agenda.

We have to begin to draft the laws that will implement this Constitution, because, for this Constitution to be in force, we need approximately 180 laws. We have to look into the issue of continuing the country's modernization through economic reforms. Third, we must look into the issue of moralization. I think that in order for democracy to function, the judicial branch must be honest.

We must look into the issue of aid to the neediest. We must consolidate what President Fujimori has already begun with so much success—namely, the issue of pacification. I think all these issues now deserve much more debate than the difference in percentage points between yes and no, do you not agree?

[Guerrero] Definitely. The figures are being updated in a national projection: yes, 55.3 percent; no, 44.7 percent. We thank you for your remarks. Also, allow me to ask you this: We have received a dispatch from Colombia saying former President Alan Garcia is apparently taking steps to become a Colombian citizen. Some APRA [American Popular Revolutionary Alliance] leaders have denied it here, but other people in Colombia are saying it is true. What can you tell us about this?

[Yoshiyama] I prefer not to comment on former President Garcia at a time of joy such as this one.

[Guerrero] Here are some figures. Lima: 61.1 percent voted yes; and 38.9 percent vote no. In Callao it is as follows: 55.6 percent... [pauses] Well, you have all of the figures there. Any message for congressmen who worked for you on this new Constitution?

[Yoshiyama] This has been arduous work. I must congratulate both the majority and opposition congressmen, because all of us agreed on many points. This Constitution represented a consensus on 86 percent of the issues. The debates we held all this time were civilized. I think it is a good Constitution. The country should congratulate itself for having a good Constitution. Logically, the figures also reveal the need to listen to the opposition, and rightly so. I also think the political opposition has to understand the clear message from the people, the majority of whom voted for this modern Constitution. This is all I wanted to say, and I thank you, Mr. Guerrero, for accompanying us today, and chiefly because the country is being informed through the news media that we definitely have a modern Constitution and that the future of the country should be met with a great deal of optimism.

[Guerrero] Thank you. This was CCD President Jaime Yoshiyama, who listened to the results of this national referendum with us and Panamericana Television. In this referendum, the people have expressed their views on the new text of the Constitution.

Fujimori Issues Statement, Holds News Conference on Referendum

PA3110163393 Lima Panamericana Television Network in Spanish 1413 GMT 31 Oct 93

[Statement and news conference by Peruvian President Alberto Fujimori with unidentified local and international reporters at the Maria Molinari School in San Borja District, Lima, after casting his vote in the referendum—live]

[Text] [Fujimori] This is the third landmark of this decade. The first was on 8 April 1990, when the Peruvian citizens voted for a new [word indistinct]. The second landmark was on 5 April 1992, when we decided—with the people's support—to accelerate our process of national reconstruction. Today, 31 October, marks the beginning of a process that will lead us to Peru's definitive modernization. These are three fast-paced events that are landmarks for Peru. We are recovering, trying to recover the time that was lost. I believe that I can say with certainty, with sureness, that we are not wrong.

From a country that was mired in an irrevocable crisis only three years ago, we can say today that Peru is coming out ahead. With today's vote, the Peruvian citizens are again defeating, as they did since 1980, the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement]. Today is not only the victory of the yes but the victory in the tenacious struggle we are waging against terrorism. Today's vote also—and I am transmitting this especially to international journalists—is but the thorough demonstration that here in Peru we are fully exercising democracy. I would even add, if you will pardon me, that here perhaps there is more democracy than in other countries, because the people are the ones who are deciding their destiny. They are deciding with openness, with liberty, with all guarantees. I repeat: Today marks a new landmark. A new period of optimism, development, and progress begins tomorrow. And hereafter, I believe, there's no stopping Peru achieving the much-desired development.

[Reporter] [Words indistinct] about your leaving the government if the people do not support the yes?

[Announcer] He is answering a question for Panamericana. Let's hear what he had to say.

[Fujimori] [Words indistinct] not only yours truly but the Peruvian people that things will be positive hereafter.

[Reporter] [Words indistinct]

[Fujimori] Surely this will take me by surprise at a poor neighborhood at 1700 this afternoon, as usual.

[Announcer] President Fujimori says he will be visiting several settlements that are in outlying Lima this afternoon after he leaves the Maria Molinari School, where, accompanied by his wife Susana, he has cast his vote.

[Fujimori] [Words indistinct] these are changes in the new Constitution. They have been applied in the last few months and have had sound results from any viewpoint. From the economic viewpoint, for instance, there has been an influx of investment, which has increased notably. The flow of investment has been notable, quite unprecedented in Peru. Then political reform, the reorganization of the judicial branch has taken us to surprising results, because in less than 18 months we are virtually on the eve of being able to defeat the Shining Path and the MRTA. These are notable results. They are the product of those reforms.

[Announcer] These are questions by foreign reporters accredited to our country. There are approximately 500 who are accredited and are able to report to their countries of origin the development of this referendum. President Fujimori is answering their questions.

[Fujimori] The peace process will continue with the same antiterrorist strategy, which has yielded results, but we will step it up. This can be done because Shining Path leaders have backed off, particularly Abimael Guzman and Elena Iparraguirre. They have both clearly shown that they are the Shining Path commanders, because they were able to convince four of the most recalcitrant members of the Shining Path leadership to sign that appeal to stop the attacks. I believe that is a notable, unexpected incident that will have a great impact.

[Reporter] [Words indistinct]

[Fujimori] No. The day's event is the clearest proof, the most overwhelming example that democracy is effective in Peru. The people decide. International observers will ascertain that the process is freely carried out. As far as financial groups are concerned, the new Constitution states they will have full guarantees so that they can invest more and so that those investments are made within a framework of security, from an economic and internal viewpoint. This will allow them to conduct those activities; moreover, this is important for Peru, because it would generate jobs the people need. Therefore, it is clear proof that the process underway in Peru is fully democratic. Few Latin American countries give the people this freedom. This is the introduction of a political reform that represents a very advanced step.

[Reporter] [Words indistinct]

[Fujimori] The government policy is on the right track. This means that resources will be collected and channeled to the most needy. That is the permanent policy we have implemented. What happens is that we have yet to reach all the people. There are undoubtedly people who decidedly support the government but, due to some distortion in the information [chuckles], the well-known distortion about the gratuity of education could result in some negative votes. I repeat, however, that I believe the concept about the gratuity of education has been fully explained and the Peruvian people will vote judiciously.

[Reporter] [Words indistinct]

[Fujimori] I cannot hear you. Speak louder, please.

[Reporter] [Words indistinct]

[Fujimori] A 1.5 percent inflation is a clear indication we are doing well. It is not a mere coincidence. This is the third consecutive month that inflation has been below the 2 percent mark. It is also a result of our economic policy. Let's not forget—and Peru does not forget—that we received the country immersed in the worst crisis in history, the history of Peru and Latin America. We had 50 percent hyperinflation per month, yet today we have 1.5 percent inflation. We had the worst criminal violence with many attacks, and today we have turned things around; therefore, this inflation figure also represents considerable progress.

[Reporter] What repercussions will approval of the Constitution have on relations with neighboring countries, specifically Chile?

[Fujimori] We will continue to take steps to strengthen our ties with each of the countries with which we share a border. We have taken truly audacious steps with each of our neighboring countries, and we are aiming for real integration, not the integration of speeches. Less words and greater progress in integration will be our slogan on this subject.

[Reporter] A 40 percent no vote, [words interrupted by station identification].

[Fujimori] That is a democratic practice. I cannot talk about [words indistinct].

[Reporter] Mr. President, [words indistinct] dialogue is about to take place. What will your position be when you initiate talks with Ecuadoran President Sixto Duran-Ballen next month?

[Fujimori] The talks will be direct and open, as they were during my visit to your country. I am sure that integration will allow us to overcome certain problems that have been generated by a lack of understanding in our relations.

[Reporter] Will you reach agreements at this meeting?

[Fujimori] [Words indistinct]

[Announcer] Foreign reporters are asking these questions. Panamericana spoke directly to the president before he voted.

[Reporter] [Words indistinct]

[Fujimori] This Constitution guarantees that more jobs will be generated. That is where Peru's interest lies—how to guarantee more jobs by guaranteeing national and foreign investments. With more investments there will be more jobs. Now I advocate the creation of a framework to attract foreign investments. This is very important. The classic example used in Peru, particularly with residents of Cusco, poses the question, what national investment would we use to exploit gas at Canisea when the minimum investment for small projects is $500 million and for medium-sized projects it is $1.2 billion? I repeat, the generation of jobs is what matters the most right now and the new Constitution will make that possible. [Words indistinct]

[Reporter] The government is optimistic that the Constitution will be approved. [Words indistinct] how long will it take to overcome the crisis the country is facing?

[Fujimori] The new Constitution lays the foundation for definitive national development, and I believe that within a short time, a relatively short time, we will see results.

[Reporter] [Words indistinct]

[Fujimori] [Words indistinct]. Thank you very much.

[Reporter] Mr. President, if you will allow me....

[Fujimori, interrupting] Just a moment. I am going to go....

[Reporter] Mr. President, we are broadcasting live. Mr. President, one of the questions political analysts and political violence analysts are asking about the letters issued by Guzman and his henchmen is the following: What final impact are you seeking, given the fact that many people believe the government stands to lose more than it will gain by talking?

[Fujimori] On the contrary; the government is gaining much. Proof of this is that following the publication of Abimael Guzman's letters over the past 15 days there have been massive desertions, the likes of which Shining Path had never seen before. There used to be isolated cases, and you reporters know that. Following the publication of Guzman's letters the terrorists have become demoralized and disorganized. There has even been a rebellion, as in the case of the Golden Seal group, against Shining Path's leadership. The rebellion was expressed through 182 desertions. Desertions from Shining Path will continue nationwide.

I have handled antiterrorist strategy personally from the beginning of my government. I believe I have sufficient elements of judgment to adopt measures. The negative psychological impact on Shining Path members has been tremendous, and this trend will continue. The impact is primarily military. From the ideological-political viewpoint the struggle will still take a long time. It will be waged through numerous projects that will benefit the population. For example, San Juan de Mirafles and San Juan de Lurigancho are forgotten neighborhoods, and I must win the war against Shining Path in those areas. The way to do this is by building schools and providing water, drainage, and electricity, which is what we are doing.

[Reporter] Mr. President, based on the information you have as a head of state, do you rule out the possibility that a Shining Path group has rebelled against Guzman Reynoso's orders and adopted a much more radical decision?

[Fujimori] We have no indication of this; furthermore, the orders issued by Abimael Guzman are definitely carried out. There is no other option in that terrorist organization. [chuckles] We know that perfectly well; therefore, I am sure a vast majority of the Shining Path members will abide by these instructions, which are actually orders. Furthermore, they were not only issued by Abimael Guzman. They come from a sizable number of leaders, each of whom has his own area of influence, hence, the great impact we expect in the next few weeks.

[Announcer) We will conclude, Mr. President, because we know you have to leave and continue your routine work. We thank you for allowing this live contact with Panamericana Television via the microwaves. The previous electoral progress was marked by a low voter turnout, almost 3 million. Do you have a message for them so that the percentage is not repeated and so that the people directly participate in the democratic system?

[Fujimori] The people's participation in elections throughout the 1980's and 1990's has been normal. I am sure the tendency will continue today, because there are two things involved here: one, a democratic participation in a very important event that is being held for the first time in Peru; second, our presence—meaning all the citizens—will tell Shining Path members they have no chance. The public does not accept them.

[Announcer] Thank you very much, Mr. President. [people heard in the background chanting "no to reelection"]

Fujimori Assesses Referendum Results

PA0111030293 Lima Radio Programas del Peru Network in Spanish 0025 GMT 1 Nov 93

[News conference by Peruvian President Alberto Fujimori with unidentified domestic and foreign reporters at the Crillon Hotel in Lima—live]

[Text] [Fujimori] Thank you for your participation in this election that has made it possible to bring to the people of Peru and the world an event as special as this. As anyone can attest, today there were developments in

Peru that speak highly of how democracy is exercised in Peru. The image that has been conveyed of a curtailment of civil rights is not totally correct. Today the Peruvian people have again, have again shown: first, that they fully support democracy and peace too, because their massive turnout in the election is also a victory against the violence that has caused so much harm to this country. I know that there are several questions, which I supposed have also been posed to others, so please join in and I will gladly answer questions. First is the reporter from Channel Four.

[Channel Four reporter] [Words indistinct] some think that [words indistinct] the government. You thought [words indistinct].

[Fujimori] First, I must say that the results in a democracy, in a true democracy, are defined by a majority. Today, the majority is represented by 55 percent against 45 percent of the population. There has been a majority. The victory of the yes vote, the support to the new Constitution, the support to the reform cannot be contested. I want this to be clear to the Peruvian public: Support for the new Constitution and the reforms cannot be contested. There is no doubt whatsoever about this support.

The fact that 45 percent voted against that reform can be looked at from different perspectives, as some people already have done. The only thing I would add is this perspective. I think the opposition feels somewhat flattered; some have voiced their satisfaction. I could say everybody in Peru is happy, winners and losers, and happily so. The thing is that henceforth we will work more intensely.

Mr. Alejandro Guerrero. Excuse me. I will let everyone speak.

[Guerrero] Mr. President, days before the referendum you said that it was not only a matter of approving the new text of the Constitution, but that this also represented a statement on support for your administration. You said the people would be telling you whether they agreed with the way you run the government. Now, since the yes vote garnered only 53 percent, does this mean that your popularity now stands at 53 percent?

[Fujimori] I would have to consult the pollsters on that. They have specific data on the level of approval for the president. But it is a fact that support for the president can be manifested in other ways. This has been directly expressed by the 55 percentage points. This is a fact.

Once more, it has been demonstrated that support the president may have is not totally endorsable to other elections. This support cannot be transferred to CCD [Democratic Constituent Congress] candidates or to the Constitution. I repeat, this 55 percent in favor of the yes vote represents 55 percent of support for the administration. I consider this extraordinary not for me but because the people have responded to the huge efforts made here in Peru. Fifty-five percent support after three years of a harsh government program is an encouraging result for the president.

We must not lose sight of the fact that only three years ago—we must never forget this, dear fellow citizens—Peru was isolated internationally. It was suffering the consequences of actions by three terrorist groups. We were setting the world record for inflation. There was widespread poverty.

After three years with such a strict and responsible government program, I am really very encouraged to have such support. I repeat, if the 45 percent who voted no satisfies the opposition, then good for them. We have all emerged winners.

From this... [pauses] I address all my fellow countrymen who participated in today's referendum, whether they voted yes or no. We all must be satisfied. Peru has demonstrated what the free exercise of democracy is all about. We are an extraordinary example for Latin America. Peru is now one of the few countries in the world that has a Constitution approved by a referendum, by a totally open election with the participation of international observers. The will of the people has been freely expressed. We enjoy an incredible freedom of expression, which would surely not be tolerated in other countries.

I am satisfied and confident that those who voted, either yes or no, are also satisfied.

Yes, sir.

[Reporter] [Words indistinct] would you confirm here in this room of the El Crillon convention center, now that the Constitution has been approved—will you be a candidate for president in 1995?

[Fujimori] I am not a candidate for president in 1995. I am president of the Republic until 1995. From now on, I will work even harder to get the country going again, because we now have the necessary legal and formal instruments. Peru has an excellent future.

I do not want to talk about candidacies. That will come later. Why? Because I am not working with an eye on the electoral campaign. I think politicians should not work with the electoral campaign in mind. They must work to get the country back on its feet.

[Reporter] Mr. President, despite the satisfaction of the opposition and progovernment forces, 44.7 percent of the population is dissatisfied. What will the government do to reduce this 44.7 percent?

[Fujimori] I respect that position. As I am an engineer and I am understand statistics—in addition to the fact that I have a knack for this—I am going to try to find out why such a high percentage—45 percent—voted no. We are going to work hard so that 45 percent of the population will understand the government's policy, which I

insist will continue to be serious, nonpopulist, and oriented toward development.

In addition to being concerned about that 45 percent, I will also be concerned about the 55 percent. Undoubtedly, there is a percentage that has voted based on certain disinformation or distortions. For example, I am sure that 45 percent will be quickly reduced, relatively, as we keep building schools. When those schools begin to resemble the best private schools in Peru and when those private schools continue to offer free education, those unfounded remarks to the effect that education will be privatized will be refuted. [sentence as heard] We are going to work in that direction.

Speaking of education and with the permission of the respective minister, I am going to personally oversee this task so that education will be one of the pillars for the next two years.

[Moderator] Mr. Guerrero.

[Guerrero] Perhaps your government should be concerned about the fact that although it is true that in the majority of Lima districts the yes votes have been in the majority, in many towns in the mountains, where you have been touring, the no votes have been in the majority. In those towns, there is a higher rate of poverty and that is where terrorism has hit the hardest. Would you say that from now on you will center your greatest efforts in these provinces, in these towns?

[Fujimori] There are some problems that are unique and others that are general. Terrorism is a general problem. We will continue to confront that problem firmly and with a decided strategy, in order to defeat it completely. We have been unable to reach some provinces which have been severely affected by terrorism, and we have been unable to recover them completely. Examples of this are Ayacucho and Puno. Evidently, terrorism has hit them hard, and they require a recovery period.

The government has an overall strategy—as you have already understood—and we are going to place special emphasis on all these problems. In addition to mentioning those provinces that have justifiable reasons for voting no, let us also analyze other provinces where there has been an almost unexpected and surprising turn, which has been most pleasant. You are going to come to your own conclusions about what I am trying to say. For example, La Libertad, Ica, Piura, Junin, Cajamarca—what does all this mean? This means that here there is a convergence of militants from all political parties toward a government that does not have any partisan bias.

As I have always said, this government calls on everyone. This is a very clear signal that we are on the right path. As you very well know, I have a very special concern for the provinces.

I spend two days a week at the government palace, three days in the shantytowns, and three days,—I almost run out days of the week—in the provinces. I will have to multiply myself. I assure my friends in the provinces I will be there with an even greater emphasis because now we have the tools for development. These are different kinds of tools. For example, the topic of pacification, which is so controversial and yet is yielding results, will make it possible in the months ahead to effect the economic reactivation of many neglected zones now in deep recession, for example, Ayacucho and Cusco. Once there were weekly flights to Ayacucho. Now there are four tourist flights daily. In Cusco, the number of tourists has quadrupled. In some areas, the economy will be reactivated through an export activity like tourism.

This is all an overall national development pattern. I do not have the slightest doubt that with these new tools Peru will move ahead—and not just ahead. In the years to come—and this is not arrogance or excessive optimism—Peru will become one of the pearls, one of the centers that will attract investment and development in Latin America. [Reporter tries to interrupt] Excuse me.

[Reporter] When will the new Constitution be promulgated? In recent days, you have made major announcements on pacification. We would also like to know if you will call for unity among Peruvians, despite the no vote being so high. Will you grant amnesty to those officers who supported the coup attempt? Thank you.

[Fujimori] The Constitution will be promulgated once the National Election Board announces the official results. The referendum is the tool that will enable us to promulgate the Constitution. The call for national unity is needed, but I want to issue this warning—it does not mean we have to agree on everything, or this wouldn't be a democracy. Differences will exist, and they take different forms. One of its clearest forms is the news media. Read the newspaper headlines, all newspapers, and you will see enormous differences. But differences can be freely expressed.

The call will be made based on the Constitution, meaning we will not make a call based on the 1979 Constitution. There are people who did not sign the 1979 Constitution, although they participated in drafting it, and now they want to adhere to that Constitution. The government's course is clear; the country's course will be clear. This is the course, the course democratically chosen by the majority of the Peruvian people.

[Fujimori continues] However, so that the greatest percentage of the population—let us hope 99 percent—will support the Constitution, we are going to make the best possible use of all methods of communications to announce what we are seeking in Peru. I am sure that when I tell my fellow countrymen that we must defeat terrorism, we must control inflation and reduce it (?to) 1 percent, we must overcome international financial isolation, we must attract national and foreign capital, they will understand these are the pillars. In addition, we must modernize education using computers and modern buildings, just in case some do not agree. We must

improve the health care system and the highway infrastructure. I think that everyone will agree.

This will all be made public not only with speeches or the mass media, but with very clear answers. When someone speaks to me about modernizing education, I will say: Teachers, children, youths, parents, here is your school that is just as good as the Newton private school, with computers and adequate facilities. Who is going to oppose that? It would be sheer madness for anyone to oppose that.

Thus, we will call for unity based on this Constitution, not any other. Could the Constitution perhaps be improved in some respects? It could very well be so. Nonetheless, with regard to education, just tell me if there is any room for improvement. What's left to improve if primary and secondary education are not only going to be free but also create an ideal atmosphere for developing children and youths? That article is going to be left just as it is. If we're talking about university education—well, we must all recognize that a university student cannot be president of the Federation of Peruvian Students for 22 years! Not here in Peru. If he wants, let him go to another country on scholarship, but please do not use Peruvian resources for that. That is the framework under which we would like to call on all Peruvians. I am sure they will accompany me.

Concerning an amnesty, that falls within the purview of the president of the Republic. I can frankly say that I have not yet decided on that or—if you want to note this—I do not yet feel up to it.

[Reporter] Mr. President, one of the changes in the new Constitution is that capital punishment will now cover terrorism. How will this delicate subject be handled? Is the San Jose Treaty going to be denounced?

[Fujimori] I think the death penalty will be applied closer to the year 2015, when a new Abimael Guzman suddenly appears. Maybe his son will show up and want to commit the crimes the other one has in Peru since 1980. The death penalty is not a decisive factor in the anti-terrorist strategy. It is just another element of lesser category than intelligence work. The death penalty will be applied... [pauses] Let's hope there won't be any more terrorism now. At least, I guarantee that from now until 1995 there will not be any more Abimael Guzmans. In this we will wield a firm and tough hand. The death penalty could be applied, within international law, respecting all treaties, and even following some models of developed countries, and with the greatest respect for human rights, if it is possible to use the term.

In other words, our anti-terrorist penitentiary legislation is not 100 percent national. We would have to apply it making use of international law.

[Moderator] Mr. Bauer.

[Bauer] Thank you Mr. President. You now have the Constitution that allows you to govern based on your ideas. The issue at hand is rebuilding a real democracy. Political parties all over the world are normally part of that democracy. What card do you have up your sleeve that will create a system of political parties that can advance a political process that is not solely dependent on a strong executive branch? That is the first question. The second is: You are now going to have to submit your laws to the Congress so that it can legislate. What are the first three laws you will submit to the Congress, the most pressing issues? And here's an extra question: Are you thinking of moving up the presidential and congressional elections from 1995 to 1994? Thank you.

[Fujimori] In answer your question, I am also going to give you something extra. This is not a Constitution that reflects only my ideas; it is instead a Constitution that millions of Peruvians share, and I am certain many more will share in the near future. This Constitution certainly resembles the Constitution of Switzerland, your country. As an underdeveloped country, we have the same right to development that developed countries like Switzerland and Japan have. We are becoming aware of that. I am convinced there is no justification that a country as rich as Peru should keep getting poorer.

That is why we had to reform the Constitution, to ensure domestic and foreign investment, just like Switzerland, Japan, and the United States do. That is what we are doing. We cannot scare capital away when people are trying to establish companies. For example, the 1979 Constitution had many ideas with a socialist or communist tone. I am certain that in Switzerland, for example, this would not be acceptable. Why should we accept it, considering that even in Russia all those socialist or communist concepts are being buried? Communism has died, and with this new Constitution we have also buried some of those vices.

We want to enter the modern age, because that is our right. Democracy is built from the grass roots, not from the top. That is how I see it. Some in Peru have thought that democracy could be built by imposing political parties. In general terms, we can say the Peruvian people have become estranged from the traditional way in which political parties are handled. Most likely in the near future, movements and political parties will be created at the grass roots, and they will contribute to strengthening democracy. Since these political parties are weakened, and let us not forget there are 33 opposition parties—political parties or movements—which have distributed among themselves this 45 percent vote, democracy will be created based on parties that—I repeat—will be born with greater strength, from the grass roots, and imbued with democracy.

But the fact that now there are no strong political parties—to the point where many comrades have now joined my government—does not mean that democracy cannot be practiced. Quite the contrary, democracy means exercising freedoms, rights to opinions, and government by the majority.

I believe the executive branch must act. It must not be a weak, soft, wobbly, and indecisive executive branch. Gentlemen, the executive branch here in Peru acts. What does this mean? This means we provide leadership in acting on and meeting national objectives. This means we have an executive branch determined to defeat terrorism, attract foreign investment, and lower inflation.

Will the executive branch then be strong? It has to be. This is not because of the 1993 Constitution but because of the typical actions of the executive branch. I have exercised the powers of the executive branch with determination, without hesitation, and you see the results in some other cases.

As for the laws the CCD would approve... [pauses] Well, in principle, the CCD is a constituent congress; it is a congress. It is the duty of Congress to promulgate laws. I hope that Congress, with the efficiency for which it has been noted, will continue working to promulgate laws. I particularly believe that these laws should be ones that will effectively attract national and foreign investments, strengthen the economic program, seek the reactivation of the economy, and help in other areas which, in this second stage of the pacification, will represent the reestablishment of some international rights in the field of human rights.

[Reporter] Mr. President, first I want to congratulate you on today's victory. I wanted to ask you a question. What will be your attitude regarding some weaknesses of the current democracy, which are already apparent? We have a group of parliamentarians, like Popi Olivera, Rafael Rey, and Chirino Soto, who have been representatives for 15 to 20 years. They continue to be representatives and, according to some polls, will be legislators in the future.

I believe that according to a study that was conducted, one of your actions the people most supported was the dissolution of Congress on 5 April. The dissolution of Congress was fundamental to your political life. The people supported you unconditionally on the streets, but there are presently some faults in the democracy. I believe these are human errors, as every democracy must have human errors. This group of legislators has weaved its way into the parliament and have brought their vices into the Congress. What's your opinion?

[Fujimori] The composition of the CCD is decided by a sovereign vote of the people. The people decide. If they elect said legislators, it is fine with us and we accept it.

When I referred to the 22 years in the past, I meant university students, not legislators.

[Villegas] Good evening. I am Javier Villegas of LDO Radio. [passage indistinct] My second question is this: Is social justice a residual element of socialism? Thank you.

[Fujimori] I want to make it clear that, in general terms, the economic program is not neoliberal, nor is it liberal. I will give you an example: In the agricultural sector, there are no liberal policies. Here in Peru we do not allow massive importation of agricultural products that openly compete with national products. There is a system, one of the few in Latin America, that protects domestic agriculture, the so-called [words indistinct] flexible. This is an example that shows there is no neoliberalism here.

What we indeed have here is a reduction of the state to make it more efficient. What we have is a privatization policy that averts enormous deficits left by public entities. What we have in Peru is the creation—I use the word creation because it has not been completed—of a market economy in which we have open competition, whether foreign or domestic.

We practice social justice here with deeds, but with limitations imposed by the budget. I am not an outspoken advocate of social justice, because I do not want that the provisions of the 1979 and 1993 Constitutions to read the same, word for word. This is why I [words indistinct] shantytowns and provinces. This is why we are building schools, water lines, and sewers. This is why I defend the Fonavi [National Housing Fund], although I sometimes find myself alone defending Fonavi, because I know that the people want social justice. This social justice is [word indistinct]. Just look at the recent pronouncements made by shantytown leaders who appreciate all these measures from a government called neoliberal but is practicing a market economy.

What other kind of economy could be established? I have not heard any alternatives so far, other than those calling for repeating the painful experiences of the 1980's. The people will not tolerate this.

[Reporter] [Words indistinct] what was a call for a referendum became a plebiscite. Before, your approval rating was set somewhere around 77 percent, and now it is at 55 percent. What was initially a referendum has now became a plebiscite. Initially, you approval rate was 77 percent, but now it is 55 percent. How are you facing this reduction, Mr. President?

[Fujimori] With much satisfaction. I will not celebrate this with champaign—really, that is not my style—but with the satisfaction of knowing that everyone is now happy in Peru. We are all satisfied, those who obtained 45 percent support, and those of us who obtained 55 percent support. Naturally, I will try to bring over a significant percentage of that 45 percent with real answers and not empty words. I will tell them: Listen, education in Peru will continue to be free of charge, but not in those small rooms with brick seats. Education will be free of charge, and it will be free at the level of the best schools in Peru.

As a journalist who has accompanied me in those long visits, you will accompany me in continuing to disseminate may policies to increase the 55 percent. But the increase [words indistinct] because there is a conviction that Peru needs to overcome its problems. This means, among other things, creating more jobs [words indistinct] it is fundamental to build runways, open roads,

build sewers, and attract tourism for Cuzco and Ayacucho. This is what we—the 55 percent, as well as the 45 percent—must do from now on.

I am not deaf or blind, and, besides, I have a good intuition. I know what the people want, although you do not believe it, and I know how to communicate with my people.

[Reporter] Mr. President, concerning political parties, and taking into consideration the referendum results, do you foresee some kind of rapprochement or consensus with the supporters of the no vote, or will you wait for them to take the initiative?

[Fujimori] I am making this call nationwide. I repeat, this call is based on a Constitution we must respect, as it is the majority's Constitution. My main concern is the people. I work for the people, and I am sure there will be agreements within the Democratic Constituent Congress to improve what is feasible. However, my main concern... [pauses] I am not ruling out that such people will adhere... [pauses] But, of course, welcome. However, my main concern is working directly with the people. That is the priority that I assign it.

[Arisin] Good evening, Mr. President. Congratulations on the victory. I am Hector Arisin from LA NACION.

[Fujimori] LA NACION from where?

[Arisin] From Lima, Mr. President.

[Fujimori] Nice to meet you.

[Arisin] Nice to meet you too, Mr. President, but I am only doing my job. What can you tell us about habeas data?

[Fujimori] About what?

[Arisin] About habeas data.

[Fujimori] I don't know what that is.

[Arisin] Habeas data, Mr. Engineer, Mr. President. That means freedom of the press.

[Fujimori] Well, you are witnesses that there is freedom of the press. I think you probably voted yes, because there is complete freedom of the press here. The best evidence of that is the daily LA NACION. [applause]

The reporter from Radio Programas del Peru.

[Radio Programas del Peru reporter] You touched on privatization. Although it is true that citizens today voted for a new Constitution with a new legal framework, my question is: How long will it be before public enterprises that fall within this process are privatized?

I have a second question. You talked about instruments of reactivation. Now, with this new Constitution approved today by the citizens, do businesses and industrial associations get special preference? Will you reorganize the tax system, which might entail abolishing technically incorrect [antitecnico] taxes? What about tax returns?

[Fujimori] One thing I can say is that the privatization process will continue, and it will continue with the seriousness with which it has been handled, but with one advantage. We are going to get more profits from the sale of publicly held enterprises. There will be better prices with this Constitution. This process will continue, because we now have a modern Constitution that welcomes investors.

In the second place, the country is in the process of pacification. In the third place, the laws that are being promulgated for these enterprises allow us to attract this capital. Thus privatization will continue at the same rate. At no time has there been any delay. I am not—and I am using the first person—going to allow that our public enterprises be squandered. Business is business. As president of all Peruvians, I am going to try to get the best price for everything. That's my responsibility.

Now with regard to the tax issue, I want to tell our entrepreneur friends: Tighten your belts just a little bit more; we have not offered you anything. The objective here is to maintain the fiscal balance, and fiscal balance unfortunately means retaining technically incorrect taxes during a transition period. We must all tighten our belts if we want Peru to stay ahead. Why are the workers earning 200 or 250 soles a month? That's their contribution. The entrepreneurs must also do their share. Everyone must do his share.

Yes, the young woman now has the floor.

[Reporter] One of the arguments raised by the opposition during the campaign was that there would not be labor stability—no jobs, they said. Is your government studying any mechanism for generating employment, Mr. President?

[Fujimori] The new Constitution eliminated a term that in practice was false. The old Constitution mentioned labor stability, but in practice it did not generate jobs and scared away businessmen and investors. Congressmen know how to make good use of the language. They turned it around, gave it another name, and now businesmen are happy. They are now ready [chuckles] to invest, bring back their capital, and that way more jobs will be generated. The fact that the 1993 Constitution does not explicitly mention the term social stability does not mean stability was lost. It is quite the opposite. The more investments there are, the more demand for workers there will be. That is the trend.

[Reporter] Mr. President, if the margin of difference between the yes and no votes grows slimmer or wider, will you have the same attitude? Will you be just as optimistic?

[Fujimori] I do not understand your question.

[Reporter] If the percentage margin between the yes and no grows slimmer, or if it grows wider, will you have the same attitude? Will you be just as optimistic?

[Fujimori] I have always been the same. Why should I change? In fact, I am not going to have plastic surgery done [laughter] or anything. To the contrary, I will continue working. You will always see me in the shantytowns and provinces. I will continue working intensely, perhaps with greater vigor. I am even using a cushion; that's why I'm 15 cm from the back of the chair. I use a cushion that has a quartz stone in it that gives me more energy. That's why you see me on those visits so frequently. I will continue but with greater energy. Ma'am?

[Reporter] This is the last question. The 1993 Constitution approves reelection. Will you run for reelection in 1995, since the people have given 55 percent support?

[Fujimori] I like and am fascinated by my work. I am fascinated by it, to be perfectly honest, because I get a response from people in the towns, and we are achieving results. A year from now, it will surely fascinate me even more. To be fascinated and to decide to run for reelection are things that are very far removed from one another. I may decide to leave my post to some ambitious politicians. It can't be predicted.

Gentlemen, thank you. [applause] Thank you.

Fujimori Interview on Referendum

PA0111071093 Lima Panamericana Television Network in Spanish 0253 GMT 1 Nov 93

[Interview with Peruvian President Alberto Fujimori by Guido Lombardi in Lima; from the "Panorama" newscast—live]

[Text] [Lombardi] Here in the studio we have President Alberto Fujimori to answer a few questions and casually comment on today's referendum results. Congratulations, Mr. President. You fulfilled the promise you made to the country and to the international community on 18 May. Not only have you reintroduced Peru into the financial community, but also into the democratic world. Are you satisfied with that?

[Fujimori] Absolutely, and mostly because the Constitution has been approved as a whole, despite the risk that this entailed, given the many things that could have been questioned. Although there is a 5 or 6 percent difference, the result is unquestionable. Peru now has a constitution that was approved in a referendum as a whole. It might have been interesting to have voted on it in sections. But if we had done this, we might have been questioned about those sections we did not put to a referendum, and this would have been a disadvantage. Therefore, despite the risks of having the referendum deal with the whole document at once, this Constitution has been approved completely.

[Lombardi] Our friends from Apoyo, for example, could explain to the majority, to the Congress, to you, and even to the opposition the specific issues in the Constitution that have suffered the most rejection among the people. Alfredo Torres [general manager of Apoyo S.A. research company], without having carried out a specific study on these issues, suggested that free education was one such issue, whether it was misunderstood or not. He also mentioned the death penalty issue, and perhaps the issue of reelection, which could be discussed later. In any case, you are satisfied, and the opposition also seems satisfied with its 47 percent.

[Fujimori] That is what I say. Everyone has come out happy and a winner. That is good. Time will dissipate the doubts about those issues. There has been a campaign at all levels preaching that education will not be free any more. I repeat: That portion of the negative vote—those who voted no because of the alleged elimination of free education—will realize the truth when they see schools and education everywhere. This education will be free and in the best of conditions, as we are now offering in the newer communities and are moving into the provinces.

The same goes for the death penalty. I have been told that in Puno they believe many peasants will be executed. Speaking of peasants, they also believe the 1993 Constitution does not guarantee the lands belonging to their communities, when the truth is just the opposite. Then some voted no because they feared mass layoffs, because the Constitution does not include the phrase job stability. The phrase job stability is not in the Constitution, but there are other terms that defend workers' rights.

[Lombardi] Adequate protection against unjustified dismissals.

[Fujimori] Of course. That also allows us to attract local and foreign capital investment to generate jobs. Therefore, time will dispel all the doubts of those who voted no for reasons such as these.

[Lombardi] Mr. President, you must excuse me for being so blunt, but your interpretation seems to be somewhat naive. We are all very happy today. It would be ideal if we could all stay happy during the coming months. To achieve this, we need to hear some sort of message. I am under the impression that the Peruvian voters are sending you and the opposition a message. The message for you might be: Mr. Fujimori, we support your presidential efforts; we support your political program; and we are with you, but let us move carefully; let us understand each other; let us draft a national agenda in which we can all contribute and continue to move forward. Is this not the type of interpretation one might get from the election results?

[Fujimori] From a statistical standpoint, that would not be the interpretation. One just votes and does not stop to think about things like that. Here I see an undetermined

portion of that 47 percent concerned over free education, job stability, the lack of jobs, mass executions, or losing peasant lands. This is a percentage we can calculate and examine later. There is another portion of the no vote that has not understood the constitutional framework or that simply disagrees. Here also... [pauses] I hear a message that says we must work harder in these areas. People are not thinking about short-term solutions any more. Obviously we must resolve the urgent problems, but now they are thinking about midterm solutions, because they are thinking about their children. They do not want them to have to endure the same things they had to endure.

This is the message. They want a good education for their children. They want the government to be concerned with free education. That is one. The second one is that we should generate more jobs. This is fundamental. They want overall development. Profound overall development... [pauses] When I see the results in Puno, Apurimac, or certain other departments, that means there should be greater support, or rather, results in the farming sector, among others. That is what I see.

[Lombardi] In Lima, only one district had a majority vote of no. That is the Independencia District. In Lima in general, support for the yes vote is much greater than in the rest of the country. Why did Puno, Ayacucho, Huancavelica—there is almost a tie in Ayacucho—vote no by such a wide margin—chiefly in Cusco, in the provinces more than in the Cusco Province? [sentence as heard] My hypothesis is that there is a direct relationship between the no vote and per capita income. The lower the per capita income, the higher the support for the no vote. That makes me think that the social assistance or emergency program, which people have demanded all these years, has not reached the areas that perhaps need it most.

[Fujimori] I think we have here two aspects. I am speculating...

[Lombardi, interrupting] We all are talking a little...

[Fujimori, interrupting] Off the cuff. Since I am getting to know the sentiments of the people, I would say that the information was distorted in the the zones of Puno and Cusco, where the consequences of the whole process of reconstruction is being felt because of the austerity and discipline it requires. The people there were scared that the government was going to do away with free education, take land away from the communities, and so on. To be sure, social assistance has been lacking due to the scarcity of funds. Look at the map of Lima. Low income sectors, those with the lowest revenues, the most neglected by the previous governments, have voted yes by a large margin. I am going to cite some cases: San Juan de Miraflores, Villa El Salvador, Villa Maria El Triunfo, San Juan de Lurigancho. Why? Carabaio. Why? Because they are suffering the impact of the whole adjustment program, but the state presence is still felt.

That is contradictory. It is not that the state doesn't care. Social assistance is provided in those areas too. That's why... [pauses] Otherwise, one would not account for it. Puno is suffering the same consequences of this adjustment program that San Juan de Lurigancho is. And San Juan de Lurigancho has reacted very well. That means the information in Puno was distorted. When they see good, modern schools they will say: Sure, what they told me was a lie. That is how I interpret it. I repeat, I am not denying that a government program, which we have implemented with total seriousness and without demagogic stances, prompts the people to react in a certain way.

After three years of government, in a country that was bankrupt, in which we have been implementing harsh measures, after three years of government and holding a complete referendum—running the risk that the referendum may be defeated on the issue of the death penalty, job stability, or education that is not free—I feel that achieving a 52 percent victory is a world record. In what European country did the Maastricht Treaty win over 52 percent support? None.

[Lombardi] At this time, it would be difficult to imagine a leader who wins such a percentage after three years. Look at Clinton. He couldn't win that percentage now. Alfredo Torres and Roberto Mendez, a Chilean colleague who was with us a few minutes go, agreed on this. Do you feel this Constitution has given you legitimacy? Does the referendum approving the Constitution give you legitimacy after the 5 April 1992 coup?

[Fujimori] We have here two concepts. One is that my administration is formalized or legitimized. I was genuinely legitimized, however, the moment the vast majority supported the 5 April measure and all the reforms. Even the polls by Apoyo and the Peruvian Research Company, which are so accurate, note that my actions as president have a very high approval rating.

[Lombardi] It is higher than the approval the Constitution received. Nationwide, 65 percent supported the president's actions, and that is 12 or 15 percent above the percentage in favor of the Constitution. That shows throwing one's support behind something is not that easy. Perhaps, you campaigned excessively, thinking that the backing you are receiving from the people could be transferred to the constitutional bill.

[Fujimori] No, I am aware of the fact that votes cannot be endorsed. In addition, this was evident in the elections for the Democratic Constituent Congress [CCD]. I did not personally direct the publicity campaign. It has had some defects. Nevertheless, in general terms and in spite of everything, we should be pleased. I would say to all Peruvians, in general, that we should all be pleased, all of us, those who voted yes as well as those who voted no. We now have a very clear orientation. There are interesting interpretations one could make.

[Lombardi] For example?

[Fujimori] The solid north.

[Lombardi] Well, perhaps. You probably heard the report today about former President Alan Garcia requesting Colombian nationality, perhaps forecasting that the solid north was disappearing.

[Fujimori] One thing I can tell you is that we have direct contact with the people's leaders of the JAP [expansion unknown], of the Aprista Party of Peru, and several other political groups that support us in our social actions. This is why we can enter various towns. It is interesting to see how those groups—not just the north...

[Lombardi, interrupting] Ica.

[Fujimori] Ica, Junin—in Junin, it was overwhelming. All of this shows us that the voters do not go by sectarianism or by [words indistinct]. They reach their own conclusions, such as: I am being offered free education, job stability, employment, property stability, and so on. Now, the Peruvian voters are mature voters. I am sure this trend will continue, and unfortunately—or, perhaps, fortunately—our democracy is going to be based not necessarily on political parties. This is an interpretation I am making. Our democracy is going to be based on the people's opinion, not on the leadership.

[Lombardi] At any rate, this trend must find a way to express itself. The parties have been the channel, or should have been the channel. They did not comply with this....

[Fujimori, interrupting] That is precisely why. Now, we have a channel of expression.

[Lombardi] And what is that?

[Fujimori] The referendum.

[Lombardi] I see.

[Fujimori] When the government wants, for example, to propose...

[Lombardi, interrupting] A certain law.

[Fujimori] A certain law that proves to be crucial, then we do not need to use the middlemen of the political parties, and not necessarily the political parties, but the leadership. This is the way it used to be, but now we go directly to the people.

[Lombardi] But will the people also be able to use the referendum? It is just for the government, right? In other words, if the people have an initiative, then they will be able to request the government call a referendum.

[Fujimori] That is correct. The constitution provides for this. This is a tremendous progress.

[Lombardi] The referendum law is necessary. It is necessary to have a law that regulates the referendum in all of its aspects. Do you think this is urgent? Would you propose it as an initiative of the executive?

[Fujimori] No, I will wait for Congress to do it, because that is what Congress must do. It must legislate. After this Constitution, which by the way, has plenty of regulations... [pauses] but even considering this, it has tremendous job ahead, because it has to promulgate many laws.

[Lombardi] According to Dr. Jorge Avendano, there are 180 laws that are necessary for constitutional development.

[Fujimori] Yes, that is correct. Those laws are going to establish some aspects of all of these topics, such as labor stability, free education, and so on. Before concluding this interview, I want to reaffirm that Peru now has definitely taken a very clear direction. It is not a constitution that allowed the pendulum of one government, which could be a liberal government, to swing to another socialist or communist government. This is not the case any more. We now have a clear orientation based on economic reform, on a state that promotes investments and is restricted to looking after the basic needs of the population, such as education, health, security, infrastructures—such as highways, ports, and so on—and an economic reform that is going to allow us to attract domestic and foreign capital. From here on, I am sure... [pauses] For example, for the gas deposits in (Camisea), there will be more than five or six foreign capital bidders.

[Lombardi] We will see this within the next few months. I want to ask you two final questions, Mr. President. Different analysts today viewed this change in the trend of voters, who three weeks ago supported the yes vote by a wider margin than today, as a show of displeasure of the handling of Abimael Guzman's letters.

Alfredo Torres told us today that what he feels is something positive in terms of the country's pacification, as well as in terms of having an effect on Shining Path members, has for you proven to be a negative in electoral terms. It is one thing for Guzman to ask for pacification, but it is another thing to see this excess rapprochement between government authorities and the largest criminal the country has ever known—a criminal who has gone from wearing a striped uniform to entering a fashion show—a show in which all of them wear different clothes in the family picture published last Friday. What is your interpretation of this?

[Fujimori] An in-depth investigation into this must be conducted. But my interpretation is that the public is not interested in what clothes he is wearing, especially if he appears to be nearly surrendering. If in exchange for the striped uniform, or in exchange for a sandwich, they make a call to stop terrorist attacks, this is very cheap price to pay.

The criticism comes basically from the opposition, which—and I say this respectfully—during their administrations did absolutely nothing to fight terrorism. A lot can be said about this government concerning this strategy. But bluntly, I ask you, what did they do? What has this government done? Where is this strategy

leading? I have no doubt in my mind that it will lead to peace in Peru, something that appeared incredible and impossible only one year and one-half years ago.

[Lombardi] Certainly, Mr. President, finally I am surprised by the vote in the border departments. In all but only two exceptions, Cajamarca and Ucayali, the no vote won. They are Tumbes, Tacna, Puno, Madre de Dios, Loreto, Amazonas. Does this worry you?

[Fujimori] No, because the Constitution is a serious constitution, without demagogue proposals. It would have been easy for us to say we would open a free trade zone in such and such department and generate contraband. This would have been easy for us to say. This kind of artificial economic growth is what we want to avoid. Therefore, these are proposals that were made seriously, under the risk that the population might punish us with very little support. Nevertheless, we are going to prove to them that, in the long term, this Constitution will benefit them.

[Lombardi] Thank you very much, Engineer. During the week, we will hear different comments, depending upon who comes here. But the fact is that today the Peruvian people had a chance to decide their fate by going freely to the polls, and they voted for a Constitution which, without questioning, will govern us from now on. We must all be happy about this. I thank you very much for talking to us on "Panorama."

[Fujimori] Allow me to make one final remark: I want to note how different this Constitution is—this Constitution approved by the people and discussed in various areas—from those that resulted from behind the door negotiations. This is an enormous advancement, and, in some areas, this Constitution can be perfected, because there are appropriate mechanisms to do this. This was not the case for the 1979 Constitution, in which practically nothing could be modified. Thank you and good night.

Security Forces on State of Alert Prior to Referendum

Referendum Results in Three Weeks; Projections Say 52.9 for 'Yes'

PA0111024593 Lima Panamericana Television Network in Spanish 0102 GMT 1 Nov 93

[Text] The computers at the National Election Board [JNE] and at department boards are ready to start gathering all the information. JNE President Cesar Polack Romero reported the official results of the vote will be announced in approximately three weeks.

The information we have been announcing is unofficial, and official information will be learned once department boards and JNE make their announcement.

We praise the work done by everyone at Panamericana Television in collecting the information we have been reporting to the nation and through the Sur network to the Americas.

To conclude our report, we will now give you the latest 100 percent projections of both national and some provincial totals. Thank you fo. trusting Panamericana Television as we have participated in this important event in our national history.

National totals: 52.9 percent voted for yes, while 47.1 percent voted for no.

Opposition Seeks "Corrections' to New Constitution

PA0111023993 Paris AFP in Spanish 0113 GMT 1 Nov 93

[Text] Lima, 31 Oct (AFP)—The Civic Front in Favor of the No Vote, that groups the Peruvian rightist and leftist opposition, has demanded from President Alberto Fujimori "corrections in the model represented in the new constitution, inasmuch as there was a close margin in the constitutional referendum on Sunday." The leaders of the front pointed out at a news conference that the people's statement "pleases us; it is a true victory."

Electoral projections by the Apoyo Group, based first on exit polls and later on results from polling stations where votes have been tallied, show 55.3 percent for "yes" and 44.7 percent for "no."

"Our campaign has been conducted by word of mouth. It is a triumph like that of David over Goliath, inasmuch as we did not have millions to spend on a campaign, and under such conditions it is difficult to reach most of the people," said conservative leader Roberto Ramirez del Villar. "It has been a harsh struggle, and the people cast their votes for those of us who defended democratic principles against the government's authoritarianism," he added.

Meanwhile, Socialist leader Gustavo Mohme insisted that the results garnered by the "no" in the referendum represent a victory for the 33 opposition parties and movements, as well as for people's organizations. "President Fujimori should make an effort to hold talks with the people's parties and movements and stop having tea with Abimael Guzman," he said, referring to the chief of Shining Path who from jail has been sending letters to Fujimori asking for peace talks in an effort to end the 13-year subversive struggle.

The Civic Front in Favor of the No Vote has issued a document in which it considers the referendum results a "historical challenge that should prove to Peruvians that we are capable of reaching agreement and approving constitutional changes that represent all sectors of the country." The Front feels that "this is the time to set aside personal and secondary political interests, and place the country's interests first." The Front did not

wage its campaign on television and restricted itself to mobilizing members of political parties opposed to the new Constitution prepared by the government majority in Congress, as it felt the Constitution to be "authoritarian" and designed to "let Fujimori's wishes to remain in power forever." Members of political parties claim that the new Constitution was going to end free education, community property in Andean peasant communities, and trade unions, despite government statements to the contrary.

Vote on Constitution 'Pyrrhic Victory' for Fujimori

PA0111023493 Madrid EFE in Spanish 2256 GMT 31 Oct 93

[Report by Jose Bujanda]

[Text] Lima, 31 Oct (EFE)—President Alberto Fujimori has won a Pyrrhic victory in the constitutional referendum held calmly on Sunday, 31 October, in Peru. Fujimori was hoping that the votes in favor of the new constitution would double the votes against, but projections by survey companies indicate the "yes" votes beat the "no" votes by a margin of only 10.6 percent.

Fujimori was saved in these elections by the results in Lima, where the almost 4 million voters represent one-third of the almost 12 million voters registered for this election. In Lima, the "yes" votes reached 61.5 percent, whereas the "no" votes were 38 percent—a result that was radically different in the rest of the country.

Throughout the country, according to the polling companies of Apoyo and the Peruvian Research Company, the "yes" votes totaled 55.3 percent, whereas the "no" votes totaled 44.7 percent of all the ballots cast, meaning a difference of 10.6 percent in favor of approving the new constitution. Some are regarding this margin as a Pyrrhic victory for the government, since just one week ago Fujimori predicted a favorable vote of 70 percent.

The government lost the referendum in 12 out of the country's 24 departments, including Puno, in the southern region, where the "no" votes totaled 65.1 percent, and Cusco in the Andean region, where the vote against the constitution were 55.5 percent, 10 percent above the vote in favor. With this electoral result, the Peruvian people have sent a message to Fujimori in support of his government but "with reservations," by not giving him "a free hand to move in politics," the observers indicated.

The "no" votes won in major departments such as Loreto, Cusco, Moquegua, Tacna, Pasco, Huancavelica, Puno, San Martin, and Madre de Dios, whereas the "yes" votes won in Arequipa, the country's second largest city, Cajamarca, Huanuco, Junin, Apurimac, Ayacucho, and Ucayali. "I think that from now on we must work based on consensus among the different political forces and in favor of the country," Lima Bar Association President Jorge Avendano stated.

In the opinion of legal expert Javier Valle Riestra, "the slim margin of the 'yes' votes must make Fujimori reflect, because he could reach the 1995 presidential elections in a shaky position."

Valle Riestra added: "We must put checks and balances on the power of the presidency, and the 'no' vote is important in this respect."

Constituent Democratic Congress President Jaime Yoshiyama stated: "What matters is that we have a new constitution that will allow us to continue the process of modernizing the country." The new Peruvian constitution approved on Sunday includes the immediate reelection of the president, allowing Fujimori to run for a new constitutional term at the end of this current period, which ends in July 1995. In addition to the presidential reelection, the new constitution includes new aspects including the death penalty for terrorist crimes and a single chamber of Congress, and it limits the state's interference in the economy.

The constitutional referendum was held to comply with a pledge Fujimori made in May 1992 before the OAS General Assembly in the Bahamas. On 5 April 1992, Fujimori staged an institutional coup d'etat with the support of the Armed Forces, dissolved Congress, and dismissed most of the members of the judicial branch.

Opposition Leader Declares Referendum Ends in 'Virtual Tie'

PA3110232593 Lima Radio Programas del Peru Network in Spanish 2212 GMT 31 Oct 93

[Interview with Gustavo Mohme Llona, leader of the movement in support of a "no" vote in the 31 October referendum, by reporter Samuel Neira at Capeco offices in Lima and announcer Dennis Vargas Marin at the Radio Programas studios—live]

[Text] [Neira] We are here at the Capeco [Peruvian Chamber of Construction—opposition headquarters] offices. It is 1711 exactly. We are here with Mr. Gustavo Mohme Llona, former leftist senator. What are your views on the results of the national referendum?

[Mohme] First, I cordially salute all of the Peruvian people who expressed themselves in a correct and appropriate manner, according to what we had expected. The virtual tie in the results demonstrates that in reality, the constitutional project is being rejected by 50 percent of Peruvians and, therefore, we hope the government takes note of the people's desire.

[Neira] Do you view this result as a virtual tie or loss?

[Mohme] Pardon me?

[Neira] Do you think it was a tie or a loss?

[Mohme] I consider that the results reflect a virtual tie, considering the fact we have competed against the government. In reality, this is a victory for the Peruvian people.

[Neira] Mr. Dennis Vargas, do you have any questions for Gustavo Mohme who is listening to you?

[Vargas] Good afternoon, Engineer Mohme. Can you hear me? Good afternoon, Engineer Mohme.

[Mohme] Good afternoon, is this Dennis Vargas speaking?

[Vargas] Yes, how are you doing? It is a pleasure to hear your voice.

[Mohme] I am doing very well, friend Vargas Marin.

[Vargas] I think the results will have to be carefully analyzed. This response from the no vote was not expected. How will you consider these results as opposition? In other words, how will you use these results? Here, the people have spoken. The opposition must react. What will you do from now on?

[Mohme] The opposition must be attentive and watchful over the government's behavior in the wake of the Peruvian people's decision. It is the government that must take some action. The government has to respect this decision. It must introduce the reforms the no vote establishes in the constitutional draft. The government must call for a dialogue, and it must begin open discussions with parties, the opposition in general, and social organizations—discussions that have gone astray. It must find out why the Peruvian people have expressed themselves the way they did. This is an initiative that must be adopted by the government.

[Vargas] At this time, we cannot say whether the yes or no vote won. Nevertheless, according to the preliminary results, we know that the advantage the yes vote may have is very narrow. The government and, above all, the majority at the Democratic Constituent Congress will have to take this into account. In this regard, there must be some form of understanding with the opposition. I think that to move the country ahead and to seek a consensus that reflects the real aspirations of the Peruvian people, progress must be made in this regard. Do you not think so, Engineer Mohme?

[Gomez] This is correct. I think that the era of overconfidence and confrontation is over. It is necessary to reach agreements on opinions and criteria to adopt the course of action the Peruvian people expressed with their no vote, which goes beyond a mere plebiscite and enters into the field of constitutional concepts in the project somehow approved today.

[Vargas] Engineer Gustavo Mohme, thank you very much for your statements to Radio Programas del Peru.

No Voting Problems Reported; 'Massive' Turnout in Interior

PA3110192393 Lima Radio Programas del Peru Network in Spanish 1840 GMT 31 Oct 93

[Text] The first five hours of the referendum, which will determine whether the text of the new Constitution approved by the Congress is ratified, have passed without any problem.

The electoral process is being closely followed by 30 OAS observers to guarantee its integrity. There have been no major difficulties. Mario Gonzales, chief of the OAS observers, stated as he toured several polling stations. Gonzales, with Toshibo Guatanale, the Japanese Government observer, visited schools in Callao and in Los Olivos District in the northern part of Lima.

Public participation during the five hours of the constitutional referendum is a demonstration of civic-mindedness, even in the most remote parts of the country. In the large cities of the interior, such as Arequipa, Huamanga, Cuzco, Ucayali, Huancayo, Huaraz, Iquitos, and Tumbes, there has been a massive voter turnout.

A similar situation prevailed since 0800 this morning in Trujillo, Piura, Cajamarca, and Chiclayo, this station has confirmed through its correspondents.

Constituent Congress President Remarks on Referendum

PA3110172693 Lima Panamericana Television Network in Spanish 1450 GMT 31 Oct 93

[Interview with Jaime Yoshiyama, Peruvian Democratic Constituent Congress president, by Alejandro Guerrero and other unidentified reporters at Isaac Newton School in Lima—live]

[Excerpts] [Guerrero] Good morning, Jaime Yoshiyama.

[Yoshiyama] Good morning.

[Guerrero] I see you have arrived early to vote.

[Yoshiyama] First of all, I would like to thank all of the news media, which during this campaign helped us divulge the entire constitutional text. I know there is a sector of the population that is still undecided, because they have not had an opportunity to read the entire constitutional text. I urge those people to act in accordance with the broad outlines of the constitutions that have been expressed and with which they might be acquainted. I believe that the people's intuition will not allow them to make a mistake. I am sure the referendum will help Peru a great deal, and as of tomorrow we must continue working and we must remain united. As of tomorrow, if the people approve this Constitution, we will tackle such problems as moralization, job creation, ways to attract small-, large- and medium-sized Peruvian

and foreign investors. I believe the Constitution will foster progress in the country.

[Guerrero] I was commenting to our viewers before you arrived that you had toured the city earlier to assess voter turnout. How did things look?

[Yoshiyama] I started looking from the time I left home. I believe the people are turning out in large numbers. The people are aware that this is a very important event. To begin with, it is the first time the Peruvian people have been asked to express their opinions regarding a constitution, and I believe that is important; thus, I would urge every citizen to vote and help us show the entire world that democracy works in Peru.

[Guerrero] Definitely. We will now allow you to vote and continue this conversation afterward. [passage omitted]

You have fulfilled your civic duty of voting, and you did so very quickly.

[Yoshiyama] I memorized it.

[Guerrero] Do you expect broad support today?

[Yoshiyama] First of all, I am very optimistic, because I believe this is a very important event for the country. I am convinced that this vote, this referendum will be quite beneficial for the country. I am very optimistic and very pleased.

[Reporter] Will you summon the people to come out and vote calmly?

[Yoshiyama] Yes. I would like to ask every citizen to come out and vote. This is a very important event, because it is the first time that the people are consulted regarding a constitutional text. The 80 congressmen in the Democratic Constituent Congress [CCD] have worked hard and conscientiously, as they say, over an eight-month period. There were days when we worked up to 0300 or 0400, and the Constitution has taken from the experiences of the most advanced countries. We have tried to apply those experiences to this Constitution. That is why we are confident that the people will be able to hand down a very conscientious verdict.

[Reporter] What is the CCD to do next?

[Yoshiyama] If we pass today's test, so to speak, as of tomorrow the CCD will have a very heavy agenda. Our first action, of course, will be to pursue the program, through which we will attract investments so that more jobs can be generated. We must redouble our efforts on the issue of moralization or supervision; we must also immediately work on all the social aid programs for the poor such as water, drainage, electricity, and jobs. To conclude, there is an issue that is very important to this Constitution's implementation; we must immediately produce 180 laws to make it work.

[Guerrero] How would you characterize this Constitution, as liberal, conservative, modern?

[Yoshiyama] It is definitely modern, and I hope the people will recognize this intuitively. As I have said, many people have not had an opportunity to read the Constitution, but we know that they are aware of its main aspects; therefore, we trust—as we always do—the people's wisdom. The people will support the Constitution.

[Guerrero] Will the Constitution be valid up until the next century?

[Yoshiyama] Of course. As long as it allows us to overcome our need for more jobs, I believe it will have served its purpose. The main issue is, however, that regardless of the results of today's referendum, Peru must remain united. The Peruvian people have stood by each other and they have made many sacrifices. They have struggled, for example, against inflation and terrorism; therefore, whether the Constitution is approved, we should remain united, because we must deal with very important issues as of tomorrow.

[Reporter] [Words indistinct]

[Yoshiyama] Quite frankly, I cannot believe the no vote will win. [passage omitted]

Fujimori Expresses Optimism Over Referendum

PA3110144893 Lima Panamericana Television Network in Spanish 1404 GMT 31 Oct 93

["Exclusive" interview with Peruvian President Alberto Fujimori at the Maria Molinari School in Lima by reporter Jorge Vallejo—live]

[Text] [Vallejo] Good morning, Mr. President. What results do you expect from this popular consultation?

[Fujimori] I cannot make predictions, but I am optimistic.

[Vallejo] You are optimistic?

[Fujimori] Totally, and I am sure this is true of the entire country.

[Vallejo] How should we interpret your remarks on the "Pulse" program, when you said you would resign if the yes vote does not win?

[Fujimori] I repeat: That is mere speculation. I am optimistic that we will gain from this renewed display of democracy, this exercise in Peruvian democracy; also, the country is marking its third milestone of the decade.

[Vallejo] The no vote is, however, as likely to win as the yes vote; it is a possibility. In such a case, would the Constitution be sent back to the Democratic Constituent Congress for a new popular consultation? Would that prove particularly bothersome to you?

[Fujimori] It would greatly delay the reconstruction and modernization process. I cannot give you figures, but the latest polls—and the polls I have conducted with my

nose and eyes—show that everything will go very well. When it is over I will make a statement.

[Vallejo] Thank you, Mr. President. You were very kind to make those exclusive statements for Panamericana Television Network.

Constitutional Referendum Voting To End at 2100 GMT

PA3110142793 Paris AFP in Spanish 1340 GMT 31 Oct 93

[Text] Lima, 31 Oct (AFP)—Peruvians began to vote in the constitutional referendum at 0800 (1300 GMT) Sunday, amid a climate of tension marked by the destruction of two buses and the explosion of bombs in three bank branches.

Relative calm and a scarcity of buses were noted shortly before the referendum opened in the capital.

Long lines were formed two hours before the polling stations opened, while in the interior of the country the referendum reportedly has begun.

Some 11,842,688 citizens between the ages of 18 to 70 are eligible to vote, according to official information of the National Election Board [JNE].

As scheduled, voting will end at 1600 (2100 GMT), according to the JNE, which coordinated the presence of 30 observers sent by the OAS and a delegation of European parliamentarians who arrived for the same purpose.

Police patrols, Army tanks, and law enforcement units were deployed at all of the polling sites to provide security for the voters.

The police reported attacks against two buses that were burned between Saturday night and Sunday near Villa, a southern neighborhood of the capital, and in Barranca, some 190 km north of Lima. Police have attributed the attacks to the Maoist Shining Path organization.

Three banks and several homes were also the target of other terrorist attacks this morning in the northwestern region of Lima, the police have reported. No casualties have been reported.

Projection Shows 55.3 Percent Vote in Favor of Referendum

PA3110221393 Lima Radio Programas del Peru Network in Spanish 2152 GMT 31 Oct 93

[Report by Alvaro Ugaz]

[Text] According to the Apoyo Company, the national results of the constitutional referendum are as follows: Yes, 55.3 percent; no, 44.7 percent. The totals in Lima are as follows: Yes, 61.5 percent; no, 38.5 percent. This is the first projection of the referendum results.

Shining Path Members Detonate Bomb in Eastern Lima Bank

PA3110140393 Paris AFP in Spanish 1331 GMT 31 Oct 93

[Text] Lima, 31 Oct (AFP)—Several attacks, none of which was serious, occurred Sunday morning in Peru, a few hours before the constitutional referendum polls open, police sources have reported.

Purported members of the Maoist Shining Path detonated a weak bomb in a bank in eastern Lima at 0405.

Shortly after 0500 another bomb exploded in front of the Latino Bank of La Parada Neighborhood in the Lima district of La Victor. A third attack occurred at Wiese Bank, in San Juan de Lurigancho at 0545.

The three explosions, for which nobody has claimed responsibility, only caused material damage.

Meanwhile, a bomb was hurled by a commando this morning in the neighborhood of Villa, in southern Lima. At 2130 on 30 October a private bus was intercepted and torched by three masked individuals in Barranca, 200 km north of Lima. No victims were reported.

Police and military security has been increased throughout the country to guarantee voter security this Sunday.

Two Early Morning Explosions at Banks Cause No Major Damage

PA3110135093 Lima Frecuencia 2 Satelite Television in Spanish 1258 GMT 31 Oct 93

[Text] Two explosions occurred early this morning but caused no major damage. One of them occurred at the Latin Bank Branch in La Victoria District and the other one at Las Flores, Zarate District. There has been much police activity in La Victoria District since 0510.

Terrorist elements detonated an explosive device at the Latin Bank Branch, causing considerable damage. Members of the Firemen's Corps and the bomb squad have also arrived at the site. The terrorists placed the explosive device in front of the bank branch, located at block 6 on 28 June Avenue. The police quickly deployed its members throughout the area.

The other attack occurred at Las Flores, Zarate District. This is another bank branch that sustained damage following the explosion of a device left by subversives. The Wiese Bank Branch is located on block 16 of Independence Avenue, Las Flores jurisdiction. The explosion caused damage at the main entrance and inside the bank. According to witnesses, the criminals arrived in a gray vehicle and hurled the explosive device. People said they heard a vehicle speed away at approximately 0520, and then the explosion occurred. A witness said the explosion broke some windows.

Polling Stations Open for Constitutional Referendum

PA3110133793 Madrid EFE in Spanish 1310 GMT 31 Oct 93

[Text] Lima, 31 Oct (EFE)— Polling stations opened in Peru at 0300 (1200 GMT) to allow 11,861,468 electors to vote on the country's new Constitution.

This morning there were three bomb attacks against three banks of the Peruvian capital city, resulting in one injured policeman and slight material damage.

The Armed Forces' increased security and the public's calmness characterized the beginning of today's electoral event in Peru, where for the first time in its recent history a constitutional referendum is being held.

Armed Forces, Election Board Prepare for 31 Oct Referendum

PA3110020293

[Editorial Report] Lima Radio Programas del Peru Network in Spanish at 2310 GMT on 30 October carries a three-minute report summarizing the government's preparations for the 31 October referendum on the Peruvian draft constitution. According to the report, "The Armed Forces have assumed control and vigilance over electoral materials throughout the country." The report adds: "The three military branches and the National Police will give every guarantee to the more than 11 million voters who will cast their votes in this popular consultation."

After noting the National Election Board (JNE) has finished distributing all referendum materials to the interior, the report adds that the JNE "is currently distributing this material in Lima's metropolitan areas and in El Callao with the help of the Armed Forces."

The report goes on to detail the number of registered voters: "In Lima, there are 3,978,495 voters, and in El Callao there are 344,074. In both places, there will be 24,842 polling tables. At the national level, the departments with the largest number of voters are La Libertad with 677,522, Piura with 614,838, and Junin with 553,173."

The report concludes with recorded statements by former JNE President Romulo Munoz Arce, who notes: "For the first time ever, the vote count in Lima will be conducted electronically."

While discussing when final results can be expected, Munoz says: "Naturally, it would be very optimistic to say the results will be announced within 24 hours." He adds: "With this system, we should have the results within 18 to 20 days."

Lima Police Report Explosions Following Referendum

PA0111045893 Paris AFP in Spanish 0253 GMT 1 Nov 93

[Text] Lima, 31 Oct (AFP)—Police have reported that at least five home-made bombs hurled by suspected Shining Path members exploded Sunday [31 October] night in various parts of Lima just hours after the referendum in which Peruvians approved a new constitution. According to reports, the explosions, described by police as not too powerful, caused damage at bank offices in an industrial area in western Lima and in four neighborhoods in northern Lima. There were no casualties.

The attacks occurred while President Alberto Fujimori was holding a news conference at the downtown Crillon Hotel Convention Center. Two weeks ago, this hotel was the target of a car bomb attack in which three persons died and at least 50 were wounded.

In view of tonight's acts of violence, security measures were increased in downtown Lima while police closed streets with access to the Presidential Palace and other places, including foreign embassies, considered to be strategic points.

Alerted by an anonymous telephone call, police quickly went to the Police Casino, a few blocks from where Fujimori was, and deactivated an explosive. In the Fiori area, in Los Olivos District in northern Lima, eyewitnesses told police that two women threw a bomb at a bank office, destroying its windows. Similar attacks were carried out in the Independencia, Tahuantinsuyo, and Sol de Oro neighborhoods near Fiori.

Early Sunday morning, Shining Path groups attacked three banks and burned two public buses in an effort to boycott the referendum.

According to the authorities, 13 people were killed on Saturday. They included one recruit and 10 guerrillas killed in the central jungle and the southern Andean region of Puno.

Bomb Explodes at Shopping Mall in Lima

PA3010215193 Lima Panamericana Television Network in Spanish 0300 GMT 30 Oct 93

[From the "24 Hours" newscast]

[Text] A bomb exploded this morning at the Santa Isabel Shopping Mall in the San Borja District. The shopping mall is located just a few meters from the district's police station. Mobil Saavedra Rengifo, a 25-year-old maintenance worker, suffered facial injuries from shrapnel. The bomb squad that checked the blast site reported that the bomb was made with approximately 10 kg of pure dynamite and left a 1.60 meter by 1.10 meter hole in the ground.

Terrorists planted the bomb near the steel door that leads to the soft drink warehouse, precisely where Saavedra Rengifo was cleaning. According to a guard, no shots were fired. The show windows of the recently inaugurated shopping mall were destroyed. The bomb's shock wave damaged other businesses, including a car dealership and a bank.

Attack on Legislative Complex Causes 'Considerable Damage'

PA3010130893 Lima Radio Programas del Peru Network in Spanish 1234 GMT 30 Oct 93

[Report by Carlos Villarreal from the legislative complex in downtown Lima—live relay]

[Text] Considerable damage was caused by a terrorist attack on the legislative building complex on the fourth block of the Azangano turn-off in downtown Lima. Fortunately, preliminary reports indicate that no victims have been uncovered thus far. The shock wave affected nearby buildings such as the Foreign Ministry and considerable damage was caused to Saint Peter's Church, which stands across from the legislative complex. I am here with an eye witness. Good morning, sir. What is your name?

[Rojas] Roberto Rojas.

[Villarreal] How did this happen? You were at the church, were you not?

[Rojas] I was in the church.

[Villarreal] How many men perpetrated this attack?

[Rojas] Two persons. They left a package there and fled.

[Villarreal] Can you describe them?

[Rojas] When I came out they had already fled.

[Villarreal] What time did this happen exactly?

[Rojas] At 0655 approximately.

[Villarreal] Fortunately there were no victims.

[Rojas] I have not seen any victims.

[Villarreal] Thank you very much. That was one of the witnesses to this regrettable terrorist attack on the legislative complex.

Present at the site of the attack at this time are members of the National Police, the bomb squad and such [police] units as Roma II, Roma IV, Lima II, Cosmopolita 11, Medics 36, and Medics 10, which are awaiting the results of the investigations the bomb squad is carrying out.

Explosion Damages Bank

PA3010042393 Lima Radio Programas del Peru Network in Spanish 0353 GMT 30 Oct 93

[Report by Carlos Villarreal]

[Text] Unidentified individuals detonated a bomb at the Inter-Bank Credit Agency located at block eight of Canaval y Moreira Avenue, San Isidro District. The explosion caused considerable damage to the bank and virtually all commercial establishments near Inter-Bank. Fortunately, there were no victims.

Fujimori Reports on New Shining Path Letter

PA3010052093 Lima Panamericana Television Network in Spanish 0300 GMT 30 Oct 93

[From the "24 Hours" newscast]

[Text] President Alberto Fujimori has revealed the existence of a new letter signed by the Shining Path leadership in favor of a peace agreement. He said he would make it public if it turns out to be not just another letter. Fujimori also hinted, just as he did last night in Tunso, that he might resign if he does not have the backing of the people.

[Begin recording] [Fujimori] If I do not have the people's support, I will have to take steps that I have not considered. I will have to make unforeseen decisions.

[Reporter] [Question indistinct]

[Fujimori] The backing will be expressed through approval for the reforms.

[Reporter] [Question indistinct]

[Fujimori] I am ready. I am a resolute man. I see things clearly.

[Reporter] Former President Belaunde said yesterday that state treasury funds are being used to finance the campaign in favor of a yes vote in the referendum. What can you tell us about this?

[Fujimori] I think he is not at peace with his conscience. He believes that just because there was [word indistinct] during his administration, this could be happening in other administrations as well. I have stated this clearly to the people because we must not forget the bribes and misappropriations of the past. [words indistinct] now represent to Peru a $70 million debt, something difficult to pay. I do not think that former presidents who have governed in this fashion have any moral authority to tell me that state resources are being used. Not a penny! The opposite is true: state resources are being used on schools, on roads, on irrigation. We have to speak clearly.

[Reporter] Mr. President, you were saying that early yesterday morning, the Shining Path leadership met to present what would be the surrender of Shining Path.

[Fujimori] Yes. I can tell you that Osman Morote, Marta Huatay, a comrade with the surname of Pantoja—Maria Pantoja—Elena Iparraguirre [as heard], and Abimael Guzman have met. These four Shining Path cadres could have been encouraged by Abimael Guzman's position in favor of peace. I think this is an important step. I have not read the letter yet, because [words indistinct] a long interview. The letter is probably in my office now. I hope it is signed.

[Reporter] [Question indistinct]

[Fujimori] Yes, because this would be evidence that Abimael maintains an effective command, that he is the leader of the so- called political leadership of Shining Path, and that the others continue obeying the orders in his letters.

[Reporter] Will you make known the document issued by the leadership?

[Fujimori] Yes. When I go to my office I will read it, and, if it is not just another letter, then I will make it known, obviously. I will decide on this later this evening. [end recording]

Press Secretariat Releases 3d Letter From Shining Path

PA3010050893 Lima Panamericana Television Network in Spanish 0300 GMT 30 Oct 93

[From the "24 Hours" newscast]

[Text] The Presidency Press Secretariat has released the text of the letter sent by the Shining Path's number two commander, Osmar Marote, and three of the most renowned leaders. This is the text of the third letter:

As members of the Peruvian Communist Party and being very close to the top and central leadership, with full awareness and the fullest conviction of its inevitable historical need, we support the letters of President Gonzalo [Abimael Guzman] and Comrade Nidia addressed to President Alberto Fujimori requesting talks to reach a peace agreement to conclude the war, which has been waged for over 13 years in the country. We reiterate and support this petition.

We alert and call on followers to be very wary of any desperate, adventurous, or provocative actions by third parties, because they are only aimed at undermining and preventing a reaching of the proposed peace plan. All these acts must be prevented and should be immediately reported.

We firmly and resolutely accept this new great decision, because it expresses and serves the interests of the people, the nation, and Peruvian society.

[Issued] Callao Naval Military Jail

[Date] 28 October 1993

[Signed] Osman Morote Barrionuevo, Marta Huatay, Rosa Angelica Salas, and Maria Pantoja

[Video shows letter displaying signatures of the people.]

Lima Experiences Blackout 29 Oct; Letter From Shining Path Leaders

PA3010043293 Paris AFP in Spanish 0325 GMT 30 Oct 93

[Text] Lima, 29 Oct (AFP)—Lima was enshrouded in a blackout on Friday evening at the exact moment that a letter from imprisoned Shining Path leaders was being read. The letter warns Shining Path activists "to be very careful about all desperate, adventurous, or provocative action."

Police attributed the interruption in electric power to attacks perpetrated against electricity pylons by commandos of the Maoist Shining Path on the outskirts of Lima. The blackout occurred in advance of Sunday's national referendum in which Peruvians must approve or reject a new constitution.

The Shining Path leaders' letter, addressed to President Alberto Fujimori, warns that acts of provocation "only work to undermine and prevent the fulfillment of a proposed peace agreement." The letter also urges Shining Path members to "do their utmost to prevent such actions and to report them categorically and immediately."

The blackout occurred at 2100 (0200 GMT Saturday) and affected a large region, including the area of Chimbote, 420 km north of Lima, as well as Nazca, 355 km south of the capital.

The signatories of the document—Osman Morote, Maria Pantoja, Marta Huatay, and Rosa Angelina Salas de la Cruz—support "the letters from 'President Gonzalo' [nom de guerre of Shining Path leader Abimael Guzman] and 'Comrade Miriam' [nom de guerre of Guzman's common-law wife, Elena Albertina Iparraguirre Revoredo] addressed to the president of the Republic, requesting talks to reach a peace agreement."

The four Shining Path leaders emphasized they were "fully aware and convinced" of their position, and they reasserted their "abidance by the leadership and Central Directorate of the Communist Party of Peru" represented by Guzman.

The Shining Path leaders met with Guzman early Friday morning in the cell in which he is serving a life sentence at a naval base in the neighboring port of El Callao, as President Fujimori had indicated earlier. Preliminary police reports said explosions were heard in certain parts of Lima, and Army forces were sent to patrol the streets of the capital.

Moreover, a soccer match at the National Stadium of Lima was suspended because of the lack of electricity. Those attending the match left the sports center without incident, it was reported.

* Guzman Letter Linked to Constitutional Referendum

* CARETAS Analysis of Letter

94SM0063A Lima CARETAS in Spanish 14 Oct 93 pp 10-17, 80

[Unattributed article: "Homemade Videos"]

[Text] Abimael Guzman's second letter was perhaps even more surprising than his first one, because it is one thing for the head of Shining Path (SL) to call for peace talks, and quite another for him to attack the political parties and democracy while glorifying Fujimori and practically condoning the coup of 5 April. This latest version is grotesque, proving that Guzman is capable of signing anything. The fact is that this entire campaign is helping to increase the support for a "yes" vote in the 31 October plebiscite. How aware is Guzman of this ploy?

October was probably Shining Path's favorite month. The 1st is the anniversary of the Chinese Revolution; the 2nd was "prisoner-of-war day"; the 7th was the day Jose Carlos Mariategui founded the Peruvian Communist Party; and the 25th was the anniversary of the Russian Revolution. According to several documents that were seized, every year the terrorist leader would convene the politburo and stage events for that period of time. In 1985 and 1986, he went to the town of Paraiso in the Upper Huallaga, where the "main column" paid tribute to him. The month was dubbed Red October.

From now on, it can also be remembered as the month when Guzman capitulated. Indeed, on 1 October Alberto Fujimori released the first letter at the United Nations Assembly, and on Saturday 9 October, the second one was made public. The third one will be coming out in the next few days.

Immediate Effects

During the latter half of September, SL had unleashed a new wave of violence: car bombs, assaults in public places, bombings of bank branches and AFP offices, assassinations of police officers and popular leaders, the fire set at the Defense Ministry. The first letter apparently put a stop to these activities, at least temporarily.

On Thursday the 7th of this month, it resumed its actions: People woke up that morning to find the streets in the shantytowns of Bausate y Mesa, San Jose Obrero, Mariano Melgar, El Agustino, and Canto Grande in Lima, and Gambetta in Callao, decorated with SL banners. Along with the red swatches of cloth there were flyers that said: "Long live President Gonzalo, leader of the party and the revolution, long live Marxism Leninism Maoism, death to the Peruvian National Police, death to the Army."

The next day, Friday, 8 October, an SL column killed five patrol members from the villages of Chingol and Chuquibamba in the province of Cajabamba, department of Cajamarca. And finally, on Saturday, 9 October, the Shining Path massacred several patrol members in Viscashuaman, Ayacucho.

In other words, the actual leadership of SL continued its actions in spite of the letters. But the effect will be seen as the days go by and they become convinced, as Guzman himself reads them on TV, that the letters are genuine.

Combat Uniform

Because he has been sentenced to life in solitary confinement, the information Guzman receives from the outside world is given to him in small doses by his jailers. They allow him to know only what they want him to know. For example, they probably told him about the statements made by the special prosecutor for cases of terrorism, Daniel Espichan Tumay, to the effect that a group of repentant terrorists had left the country with new identities. In this way, they are bolstering his hopes for eventual release and expatriation if he can persuade his followers to lay down their arms.

The fact is that Abimael Guzman's letters and the videos that are being distributed are clearly helping the official campaign for a "yes" vote. Moreover, this is not just a side effect that has occurred unbeknownst to him; he made a conscious decision to do it, because he is aware that there will be a plebiscite on 31 October.

According to another interpretation, this is a deliberate tactic devised by the Shining Path leader, who is applying the Marxist principle of "heightening the contradictions": According to this perspective, the best thing for the revolution would be an authoritarian regime that would aggravate the "misery of the masses," because it would lead to a strong backlash that would favor the revolution.

If the "yes" vote won, the Fujimori government would become stronger and the road to reelection would be assured. At the same time, the forces opposed to authoritarianism would be galvanized, and SL would have to capitalize on this. This tactic has been used by communists very often throughout the world. In pre-Hitler Germany, for example, the communists felt that their main enemy was not the Nazis, but the group closest to them, the German Social Democrats.

Nevertheless, the opposite tactic is also part of the communist tradition. That is, promoting a united front against an authoritarian government, forging alliances with people they consider "revisionists" (moderate leftists), and even with parties of the center and right.

In part, this appears to have been SL's policy since 5 April, when the terrorist organization carried out attacks on security forces and others indiscriminately, but cut back on its attacks on the political parties.

Now Guzman has reiterated his accusations and criticism of the parties, blaming them for the country's plight. On the other hand, he praises Fujimori, the 5 April coup, and the "clear advances" he has made.

Probable Effects

The letters and the release of the Guzman videos are part of the propaganda operation. The rest has yet to be seen. One part, which the National Intelligence Service (SIN) has already prepared for use against the Armed Forces, involves the surrender of alleged Shining Path columns, who will turn themselves in to the Army, weapons and all, most of them with their faces covered by ski masks.

In this way, the public will be shown an immediate and encouraging "result" of the government's policy.

Another part of the plan is the dissemination of the now famous letter and the videos in the jails. They have already been circulated at Yanamayo (Puno) and Chorrillos, and will be soon at Canto Grande. The next step is to put pressure on other imprisoned leaders to publicly obey what will be called "the new directives." Or to make them sign another of the letters that are already on the way.

The importance of Guzman's capitulation lies in his role as ideological leader and founder of SL, not his effective control over the group. The latter has been passed on to the leaders who were free as of 12 September 1992.

But he has continued to be a symbol and a kind of ideological guide for SL, and no doubt he still has a very significant influence on Shining Path members. But he is no longer the effective leader of the terrorist organization; whatever he says or does will have a very strong impact on his followers, but he is no longer—and never will be again—the undisputed leader whose desires and will could never be opposed.

The deification of Guzman, on the other hand, was a peculiarity unique to Ayacucho, completely alien to the communist tradition. Leninism was created after the Bolsheviks triumphed and after Lenin's death. Maoism did not come into existence until many years after the victory of the Chinese communists. The Vietnamese never tried to elevate Ho Chi Minh to the altar of communist deities. Castroism and Guevaraism were external labels, generally used by their adversaries to brand the followers of Fidel Castro and Che Guevara. Not even the subjects of North Korean leader Kim Il Sung have tried to add the name of that Asian potentate to the list of victorious and theoretical leaders of Marxism.

Nevertheless, Abimael Guzman and his admirers invented Gonzalo Thought, which became part and parcel of Shining Path's ideology, on a par with the thinking of Marx, Lenin, and Mao Zedong. In Marxist mythology, a leader of that ilk is a perfect being, a demigod, the incarnation of the purest morals and the loftiest values. Ideas and thought cannot be separated from their acts, their practice, their daily life.

In other words, the correct guiding thought cannot come from someone who breaks so easily, who, after a year in prison, signs and supports everything his captors want, wiping out with a stroke of the pen everything he has said and done for the last 25 years. This is especially true in a ferocious and fanatical organization like Shining Path, whose members were required to sacrifice their lives whenever the party demanded it, and to endure the most atrocious torture without uttering a word.

In short, Guzman's collapse will have a very strong impact on SL because it takes away the main beam of its ideological framework. It will not be easy to replace him, among other reasons because several of the founders who would have been capable of doing so are now dead or in prison.

Negotiations

All indications are that it was not difficult to break Guzman. This government must be given credit, however, for doing things that previous governments did not do with other terrorist leaders. But it is also clear that in general, only authoritarian and totalitarian governments use these methods with detainees (pressuring them to force them to make political statements that benefit the regime).

One of the concessions supposedly given to Guzman was that he be able to see Elena Iparraguirre every day during the period when the records and letters were being drafted. Reportedly, they were also able to sleep together three times last month.

Other conditions of his severe confinement were also relaxed, sources say, alleviating the harshness and isolation of prison life.

The videos make it clear that the letters have been written and rewritten repeatedly to please the jailers. The icing on the cake was what happened to page 2 of the latest letter, which apparently does not match pages 1 and 3. The beginning of page 2 repeats the last phrase of page 1, and at the end of page 2 there are some words or lines missing. One possibility is that several versions of the letter were prepared, and in the end the jailers decided to combine page 2 of one version with pages 1 and 3 of another version. That is why the video shown by Fujimori last Saturday was edited; only a few fragments of the second letter were displayed.

Credit for Triumph

All indications are that on this occasion Vladimiro Montesinos, who usually keeps an extremely low profile, was interested in appearing to be the architect of the

capitulation. He was thus trying to upstage Ketin Vidal, who captured Guzman, and to counteract the bad reputation he has gotten as a sinister manipulator, as several retired military officers have claimed.

But Fujimori, who, according to one insistent rumor, is turning green with envy, has refused to give Montesinos the recognition he wants. Montesinos reportedly spoke to Jaime Yoshiyama, showing him an article from CARETAS ("Emissaries in the Rank and File," No. 1281), to persuade him to talk to the chief executive about the matter. He finally agreed to mention it that night, but in an ambiguous manner.

Thus, a certain cooling of their relations is becoming apparent. And it seems that Fujimori is trying to bring into his camp experts whom he had previously rejected, to help him achieve greater autonomy from his heretofore indispensable adviser.

[Box, pp 12-13] [Excerpts from Guzman letter]

1. "... with a state system of burgeois pseudo-democracy and outmoded, parasitic political parties ..." Fujimori fully agrees with Guzman's attacks on democracy and political parties.

2. "... first confronting the Belaunde government, based on an alliance between Popular Action and the Popular Christian Party, and then the government of Alan Garcia, sustained by the American Popular Revolutionary Alliance (APRA). The former, after calling us 'rustlers,' unleashed a bloody repression of the people; while the latter, after saying that it would not fight 'barbarity with barbarity,' followed the same genocidal path, also plunging the country into the worst economic crisis of its history." He criticizes Belaunde and Alan Garcia, as well as their parties, just as Fujimori does.

3. "... genocidal path, also plunging the country into the worst economic crisis of its history." The last phrase of the previous page is repeated. An error in copying? Or was this page from another version that does not exactly match that of pages 1 and 3?

4. "And the facts show that your administration has made clear advances, especially since the events of 5 April 1992, ..." After criticizing the democratic administrations, he praises the 5 April coup.

5. "... from that day on, under your political leadership, a systematic, consistent strategy has been developed on a variety of levels, especially in the area of intelligence, achieving real success, primarily with the capture of cadres and leaders, among them the undersigned, obviously the most important success the Peruvian Government has achieved under your leadership during these 13 years of war." Totally broken. Guzman gives Fujimori credit for the strategy of the Armed Forces, calling it successful twice in the same paragraph.

6. "This validates the course on which you have chosen to lead us." The *piece de resistance*. He acknowledges throughout the success of the course (he should have said "path") chosen by Fujimori.

7. "... applying our specific ideology, Marxism-Leninism-Maoism, Gonzalo Thought, ..." A ritual phrase to lend an air of authenticity to this incredible abdication.

8. "The matter of leadership is, consequently, decisive, and in our case, it cannot be resolved anytime soon, which has an impact primarily on the development of the popular war." Guzman still considers himself the center of the universe. If he is in prison, the matter of leadership cannot be resolved.

9. "... decision, ..." [page starts in mid-sentence] Error: Did he make a mistake in copying the draft that was prepared for him? Was it intentional? Was there another page 2 that went with this one and was replaced?

10. "... we must fight for a Peace Accord. This is a historic decision that cannot be sidestepped, especially considering that peace has become a necessity of the people, the nation, and Peruvian society as a whole." An unmistakable call for an end to the war and an effort to find peace. Besides, the needs of history, the people, the nation, and society are identical to those of Guzman.

[Box, pp 14-15]

About-Face

There is no doubt that Alberto Fujimori is using Guzman politically in his campaign to win the 31 October plebiscite. What is not very clear is what effect this manipulation of the Shining Path leader will actually have.

- One obvious result is that Fujimori will reinforce the idea, widely disseminated, that he has achieved huge successes in the fight against subversion, as evidenced by a marked decline in attacks. This is reflected clearly in all the opinion polls.

With Guzman's letters, the notion that he can eliminate Shining Path by 1995, which he has been claiming, becomes more plausible. Most people did not believe his prediction, according to the same polls, but now the promise may gain credibility.

Without a doubt, this will attract more votes in favor of Fujimori's constitution. But it is a double-edged sword.

If terrorism is no longer a threat in 1995, one of the reasons Fujimori cites for his reelection will have disappeared. The citizens might acknowledge his success and then seek another political option that is more in keeping with the peaceful times. That is why Fujimori is already hastening to cover himself: Terrorism may rise again, he says.

The same argument holds true for the death penalty, because it is one of the most popular aspects of the new constitution, and now it is apparent that if it had been

applied to Guzman, he could not have been used to dampen the spirits of Shining Path members. Fujimori now says that it will serve to deter potential terrorists who might emerge after the year 2000.

If the first letter had a great impact, the second one caused some smiles. The third one—and the ones to follow—could turn the drama into a comedy. Saturation and tedium are counterproductive, especially in an election campaign like the one Fujimori has launched.

In this case, although the effect on the SL membership may be growing, the effect on public opinion—on the voters—may be subsiding, to the extent that the percentage of votes may be lower than it was before.

In other words, from the standpoint of the antisubversive policy, the more letters and the more conciliation, the better, because that will disorient and debilitate SL further. But from the electoral point of view, this could backfire.

Guzman's abrupt change—before he was captured he was quoted in EL DIARIO as calling the president of the republic "the reptilian Fujimori," "the biggest *chumbeque*," and "genocidal rat"—to the respectful and slightly fawning tone of his letters could suggest that he is acting under duress. As a result, some of his followers do not believe the words of their maximum leader.

On the other hand, if Guzman's about-face is genuine, it would mean an unacceptable betrayal to many of his followers.

Finally, some think that Abimael Guzman is being given a great deal of coverage—he appears on TV constantly—and he has a moderate and sensible image that he did not have before. This could improve his political prospects for the future. In this scenario, Fujimori must be thinking only of the immediate term—31 October—while Guzman has a longer-range approach.

Furthermore, the concessions that are being made, equivalent to transferring him to "a five-star prison," as former President Fernando Belaunde has said, might upset many people who profess a visceral hatred of Guzman because of the crimes he committed.

We shall see in the coming weeks whether any of these hypotheses are valid.

* Terrorist 'Serving Fujimori's Goals'

94SM0063B Lima CARETAS in Spanish 14 Oct 93 pp 16-17

[Commentary by Fernando Rospigliosi under the rubric "Controversies:" "End of the Myth"]

[Text] Abimael Guzman's second letter confirms, in my opinion, what was stated in CARETAS last week: The Shining Path leader has been broken, and now the government will do whatever it wishes with him. To begin with, it will use him in the campaign for the "yes" vote. It is no coincidence that the letters, videos, and all the complementary propaganda have come out during the 30 days prior to the plebiscite.

Alberto Fujimori has already revealed how the issue is going to be dealt with. His government defeated Shining Path, he has said, but he has covered his rear by adding that he needs to remain as president to prevent a resurgence, or the emergence of a new movement.

In the last few weeks, some have insisted that Abimael Guzman's extraordinary actions can be explained as an extremely deft maneuver by the terrorist leader to gain ground politically. It has been argued that before Fujimori gave him a chance, Guzman did not have access to public opinion or to his followers, and now he has it. That would allow him to stay viable politically and even to give his followers cryptic instructions so that they can continue waging war.

I do not believe these hypotheses. I think Guzman was incapable of withstanding the harsh terms of his imprisonment, he broke down, and now he will be used for whatever purposes his captors have in mind. That has been the experience of detainees who were forced to confess during totalitarian regimes, as was mentioned in CARETAS last week. Once they give in on one point, they give in on everything. The jailers make the prisoner feel guilty for saying things he would not have said under different circumstances, so he gets even more depressed. Then they make him a little offer, opening a window of hope, and it is probably false. But the prisoner, out of desperation, accepts it as genuine. During that process of depression-hope, they can take him wherever they want.

The possibilities for Guzman's political rehabilitation are practically nil. In the first place, it must be noted that the propaganda operation launched by Fujimori and Montesinos is not over. They will milk Guzman for all he is worth, and then they will throw him away.

For the time being, it does not suit their purposes for him to abdicate all of his "principles," because he would then lack credibility among his followers. But afterwards, they will probably make him retract many of his fundamental ideas, and then they will end up discrediting him.

In the second place, some speculate that Guzman is concerned about the continuation of the "popular war" rather than his own fate. That strikes me as ludicrous. The only thing Guzman is interested in today is himself. In any event, with the statements he is making, he is undermining the cause of the war he started. If, instead of allowing himself to be captured peacefully, he had confronted his captors or committed suicide in prison—like Andreas Baader and Ulrike Meinhof—or if he had just resisted the pressure put on him by his jailers, he would be a hero to his followers, an example who would give them one more reason to continue the struggle.

His letters, however, will merely produce demoralization and confusion in the ranks of Shining Path.

In the third place, the chances that Guzman will use his return to the limelight for a future political rehabilitation—in the hypothetical and unlikely event that he is released in a few years—are less than remote. This hypothesis admits of two variations:

- One, that Guzman still maintains his original ideals, and that he wants to obtain his freedom at any price so that he can resume the war in the future. This is practically impossible. No one would follow a leader who broke down so quickly in prison, on another military escapade. To participate in a revolutionary process such as Shining Path's requires not only ideological conviction but also great confidence in one's leaders, including their physical courage. Guzman is definitely finished when it comes to armed uprisings.

The second variation is that Guzman will try to return to legitimate political life, the way other guerrilla movements in Latin America have done. But if he were to do that, he would probably have no clout. Movements that were not as bloodthirsty and terrorist as SL, and, more importantly, were not defeated, such as the Farabundo Marti National Liberation Front (FMLN) of El Salvador or M-19 of Colombia, have been unable to climb above modest levels in electoral results (or in opinion polls, in the case of the FMLN). Nor, after his rapid defection, could he aspire to become another Nelson Mandela, who resumed effective leadership of his movement after spending three decades in jail.

In short, Guzman himself has destroyed the myth of "President Gonzalo." Now he is docilely serving the goals of Fujimori and Montesinos. Whatever happens to him in the future does not matter much.

Police Detain Supporters of 'No' Vote in Puerto Maldonado

PA3010215293 Paris AFP in Spanish 1952 GMT 30 Oct 93

[Text] Lima, 30 Oct (AFP)—German Rios, departmental dean of the Association of Peruvian Journalists, three university students, and 11 other citizens who had participated in a peaceful demonstration in favor of the no vote for the draft constitution on which a referendum will be held Sunday, were detained by the police in Puerto Maldonado, capital of Madre de Dios Department in the country's southeastern jungle, on 29 October, spokesmen for the two groups reported today.

Miguel Calderon, dean of the Association of Peruvian Journalists, voiced his protest "against the police's partiality and aggression perpetrated against my colleague and the other citizens," who, during the march, "were violently repressed by police who cited orders from above."

Students Nelida Herrera, Never Baras, and Rolando Supo of Enrique Guzman Valle University—also known as La Cantuta—were arrested Friday "without any explanations or resistance" as they prepared to take part in an apiculture workshop, fellow students reported to the Lima newspaper LA REPUBLICA. They did not give the exact circumstances of the arrest, however.

Editorial Views Referendum, Political Strategies

PY3010160493 Lima EXPRESO in Spanish 17 Oct 93 p A2

[Editorial: "The Last Word?"]

[Text] The publication of surveys on the upcoming plebiscite is forbidden as of 16 October, as we are all aware, thanks to a ridiculous law from the years of Fernando Belaunde's second term. But fortunately there are no legal restrictions on journalistic commentaries—even if it is several days later—on what the final surveys published the day before such an absurd and possibly unconstitutional ban took effect.

In this context, the television presentation made by three of the most outstanding survey organizers in the country, who sat together on 15 October during the program for late show viewers that is conducted so well by Alfredo Barnechea, deserves further analysis. The survey managers involved were Alfredo Torres, of Apoyo S.A.; Manuel Saavedra, of CPI [expansion unknown]; and Augusto Alegre, of POP [expansion unknown]. They are three of the four or five better-known survey firms in the country.

It is worth noting their almost complete agreement in these respects: A) The victory of the "yes" vote is practically unstoppable; B) the victory will be nationwide, without exceptions, because there are no "no" pockets left as was the case a few weeks ago; and C) the victory will be by a 2-to-1 margin with percentages not below 60 percent to 30 percent.

Surveys, of course, cannot be considered static projections, as was clearly shown in the 1990 process and the unprecedented "last push"—as people who like horse races say—that encouraged Fujimori's last-minute gallop to a landslide victory. It is unlikely the same thing will happen in 1993, commented one of Barnechea's guests, for the simple reason that people now will vote for a rather abstract option—"yes" or "no"—and not for real people. Only if a novel personality suddenly appeared, one with flesh and bones, successfully representing the "no" vote would the trend change, the speaker said.

Of course, things could change if the government made a very serious mistake in these short two weeks before the referendum, or if the Shining Path violently reneges on its leaders and starts placing bombs everywhere, or if the opposition unexpectedly finds a winning card. It is not possible to know if any change would be enough to make the "no" option beat the "yes" option or to noticeably cut the difference now separating them.

In perspective, we can see now that it was a grave mistake by the extreme opposition—the APRA [American Popular Revolutionary Alliance], Libertad [Liberty Movement Party], AP [Popular Action], and factions of the Marxist left—to link the referendum to an approval or rejection of Fujimori, his government, and "his" Constitution, a mistake the opposition continues to make with their posters saying "No to hunger." It is also clear that the government was right in accepting the opposition challenge on their own terms.

Politicians on Shining Path Leader's Ideological Change

PY2910170193

[Editorial Report] Lima LA REPUBLICA in Spanish on 12 October on page 3 carries an approximately 1,400-word unattributed article on comments by former President Fernando Belaunde during an 11 October phone interview with the "Ahora" radio program. Belaunde says: "An allegedly ideological rapprochement, from an authoritarian viewpoint and prompted by interests alien to democracy and the significant national problems, allegedly is taking place between President Alberto Fujimori's government and Abimael Guzman, the Shining Path [SL] leader currently under arrest."

Belaunde voices doubts that the second letter Guzman addressed to Fujimori expresses the movement's viewpoint, and charges that Change 90 psychologists are trying to exploit the SL in search of support for the yes vote in the upcoming referendum. Belaunde says the letter suggests that "Guzman probably is being pressured to express a new liberal-communist ideology, thus inaugurating the Guzman-Fujimori ticket." The former president also comments that the second letter makes people wonder whether "a political alliance is about to be established, whether the letter exclusively reflects comrade Gonzalo's viewpoint, or whether it is influenced by the thought of the Change 90 movement.

Referring to a paragraph of Guzman's letter praising the 5 April self-inflicted coup, Belaunde comments: "This new viewpoint could be because of Change 90's influence or the revolution of the liberal-communist ideology."

The article then mentions that sociologist Carlos Franco commented on the surprising ideological change in Guzman when he refers to the need for the 5 April coup and praises the obviously neoliberal economic policy. Franco notes that it is strange that Guzman, who earlier in the letter calls himself a Marxist-Leninist, would praise a neoliberal policy. This, he says, to a certain degree reveals that a negotiation beyond what can be seen on the television screen is under way. Franco said he has come to these conclusions because it is not clear how the government approaches or negotiates with Guzman.

Gaston Acurio, member of the Popular Action Party's political committee, comments that the first part of Guzman's letter is very similar to Fujimori's viewpoint regarding the development of democracy in the 80's.

Acurio comments that in the video of the SL leader he refers to political issues in language very similar to that used by Fujimori.

Lima EXPRESO in Spanish on 12 October on page A3 carries an approximately 400-word, unattributed report on comments by the Peruvian Communist Party's Jorge del Prado, who says Guzman's letters represent the "military, ideological, and political surrender of the terrorist leader," who not only admits he has lost the war but regards Fujimori's project as the correct one and accepts the dictatorial government. Del Prado adds: "Fujimori exploits Guzman to promote his campaign for the yes vote in the upcoming referendum."

Julio Castro Gomez, of the Democratic Left Movement, says Guzman has no moral authority to criticize political parties as he does in his second letter and that he made a political mistake by praising the government. In this regard, Castro believes "Fujimori uses Guzman for electoral purposes to the point that Guzman appears to have become the main promoter of the yes vote campaign."

Agustin Haya de la Torre of the United Left says the second letter reveals Guzman's ideological defeat and notes that he has surprisingly become a new Fujimori supporter by praising measures implemented on 5 April and advocating the yes vote campaign. He ends by stating that Guzman's praise of the Fujimori government reveals he is suffering from the Stockholm syndrome in which the arrested individual, over time, identifies with his captor.

Editorial Notes Fujimori's Comments at Rio Group Summit

PY2910172693 Lima EXPRESO in Spanish 19 Oct 93 p A22

[Editorial: "Democracy Lessons"]

[Text] The Rio Group's first working session, held on 15 October, was somewhat tense and definitely did not contribute to improving President Fujimori's relationship with his colleagues, the other presidents. Democracy was the session's subject.

On 5 April, Peru was excluded from the group but it is now reinstated. When it was Fujimori's turn to talk, he assured the other presidents that he was all for defending democracy but that does not mean concealing corruption or the inefficiency of the public or partisan powers and that, in Peru's case, the situation had reached such a point that democracy no longer functioned. In sum, it was necessary to do some cleanup and renewal so democracy could function.

It is not difficult to imagine what impact this had on the other presidents. Since early that morning Fujimori

seemed to have been treated with indifference because when the presidents arrived at La Moneda Palace, he was the only one who has not greeted with an embrace by President Patricio Aylwin.

Then came the afternoon session. Poverty was the subject. Every chief of state spoke. During these "informal" meetings the presidents chatted; they did not applaud because they would have to applaud one and another if they did.

When it was Fujimori's turn to talk, he focused on the subject of poverty from the viewpoint of violence and armaments. He commented that Peru has spent a lot of money to fight subversion, but it has spent even more to keep troops and equipment stationed on the northern and southern borders. He also said that in order to fight terrorism successfully, he had to withdraw troops from the borders. Therefore, "there is no need for you to mobilize your intelligence services to learn about our forces on the borders: I am personally telling you that we have removed them." He then added that Peru does not buy weapons any more; instead it buys tractors to build highways, and the most concrete contribution to curb poverty is to earmark resources for development instead of purchasing weapons.

The other presidents applauded him lengthily. He was the only one to be applauded. The president who showed the most signs of approval as Fujimori spoke was President Aylwin, whose main problem is precisely that he cannot order his Army to reduce or reallocate its expenditures. This is not Aylwin's problem but rather a problem of Chilean democracy, which is still "under the tutelage" of the military.

The president, who in the morning was given lessons of democracy in the implicit coldness with which he and his statement were received, in the afternoon gave a lesson on democracy by simply mentioning concrete facts.

Daily Views U.S. Document Comparing Peruvian, Russian Coups

PY2910214193 Lima EXPRESO in Spanish 18 Oct 93 p A22

[Editorial: "Completely Different"]

[Text] Boris Yeltsin's coup in Russia has prompted one of the strangest developments this past week in Lima. The Foreign Ministry summoned the U.S. charge d'affaires to explain to him the stance of the Peruvian Government on a certain document.

It seems there is a document which, according to diplomatic source, the U.S. State Department has distributed to all embassies throughout the world in which it tries to explain, as best it can, the "difference" between the coup staged by Alberto Fujimori and the one by Boris Yeltsin. The document also fully justifies—from its point of view—the reason why the U.S. denied support for one coup in Peru but granted it to another in Russia.

The difference, supposedly, lies in the fact that in Moscow the parliament was not elected democratically. Russia was not a democracy. In other words, there was no killing because there was nothing to kill.

It is not correct to say that the great difference lies in the fact that Russia is virtually in a state of civil war. Nor can one state that the difference lies in the fact that Russia—being made up of some of the former USSR states—has the bomb and Peru does not. A moral judgment—and this is par excellence—does not depend on whether a country has or does not have the bomb or on the size of the stick being held by the man in the neighboring cave.

Political judgment might—and should—be based on this fact but something leads us to suspect that those behind this document only seek to justify themselves from the moral and not from the security viewpoint.

Therefore, it is hard to imagine what are the great differences between Yeltsin and Fujimori that the mentioned document carefully mentions. It is even yet more worrisome to wonder what has prompted the U.S. Department of State to explain something that nobody asked it to explain.

An explanation is needed by nobody but themselves. An astonished public opinion like us wonders why it is wrong for John—who is small—to do something but right when it is done by Peter—who is large. But, why?

As far as Peru is concerned, its conscience is clear. The night of the nefarious sin on 5 April is over, and will never happen again. Moreover, although it is understandable, it was probably an exaggeration of the Foreign Ministry to summon the U.S. charge d'affaires to return him the document, for which it did not acknowledge receipt, as if the great effort to explain what cannot be explained deserved anything but discrete ironic commentary.

Anyway, the long-awaited arrival of Ambassador Alvin Adams might be the occasion for a fresh start and the opportunity to place the relationship between the Foreign Ministry and the Embassy on the appropriate level.

Budget Committee Head on Intelligence Service Salaries

PY2910214393 Lima LA REPUBLICA in Spanish 19 Oct 93 p A2

[Excerpt] General Luis Salazar Monroe, chief of the Peruvian Congress Budget Committee, has reported that National Intelligence Service [SIN] adviser Vladimiro Montesinos does not receive a cent from that organization.

General Salazar Monroe said that for 1994 the SIN will have a budget of 2,044 million soles, which will be sufficient to pay the salaries of its 204 civilian employees.

From that total, some 25 "liaison agents" work abroad and receive salaries in dollars, while those who remain in the country receive payments similar to the rest of the public administration, the SIN chief said.

In answer to a question from Congressman Mario Ocharan, Gen. Salazar Monroe said that Vladimiro Montesinos does not receive a cent from the funds of that organization because he is an adviser ad honorem. [passage omitted]

Cuban Cyclist Defects; 'Tired' of Castro Government

PA3010032693 Paris AFP in Spanish 1821 GMT 27 Oct 93

[Text] Lima, Oct 27 (AFP)—It was reported in Lima on Wednesday [27 October] that Raul "Pipin" Dominguez, the Cuban cyclist and Pan-American champion who participated in a competition in Peru last week, defected from the delegation that returned to Cuba yesterday.

Guillermo de Vivanco, president of the committee that organized the Great Cyclist Classic contest Rodriguez attended, told AFP Dominguez "called me a few hours ago, but I was not in and he did not leave a number where I could reach him, but he is in Lima."

The official said Dominguez (who is 21) "has friends who, apparently, are helping him." Dominguez received a gold medal in the Pan-American Games in Havana in 1991 and came in fourth in the Youth World Games in Moscow.

Peruvian sports authorities had lost "all contact" with Dominguez on 26 October after he left the Regatta Club with his teammates for the Lima Airport to fly back to Cuba.

According to Peruvian media reports, Pipian Dominguez was "tired of living in poverty and tired of Fidel Castro's government."

He had even told his teammates—Iosvan Gutierrez, Yuleisis Milean, and Jorge Rodriguez—of his decision not to return to Cuba. Reports also recalled that he represented the island at the Barcelona Olympic Games.

Several leaders suggested that Dominguez came to Peru already thinking of deserting. During the VIII International Grand Classic, which was held at several Peruvian racing circuits last week, he seemed somewhat overweight and easily distracted from his work, the newspaper OJO commented.

Reports state that Rodriguez will probably seek asylum at the UN delegation headquarters in Lima. UN spokespersons denied this possibility, however, in light of the recent closure of its refugee office, which used to operate at the Peruvian UN headquarters in Lima. The Cuban Embassy in Lima has refused to comment.

Uruguay

Right-Wing Parties Stage 'Coup' in Haiti To Unseat Malval

PY0111110093 Montevideo Radio El Espectador Network in Spanish 0930 GMT 1 Nov 93

[Text] The difficult situation confronting Haiti has been compounded by another coup d'etat, which was staged over the last few hours. Neo-liberal right-wing parties, with the alleged support of the Army, staged an institutional coup d'etat and declared the government of Prime Minister Robert Malval overthrown. They formed a provisional government that rejects and abrogates the Governor's Island agreement.

The situation in Haiti this morning was quite uncertain.

Foreign Minister Condemns Haitian Accord Violation

PY3010140593 Madrid EFE in Spanish 0017 GMT 30 Oct 93

[Text] Montevideo, 29 Oct (EFE)—Uruguayan Foreign Minister Sergio Abreu today expressed his strongest condemnation of the violations of the New York agreement that delayed the return of President Jean Bertrand Aristide "to his legitimate post" in Haiti.

The Foreign Ministry released a news communique in which Abreu called on all parties to fully comply with what was agreed on at Governor's Island on 3 July.

The foreign minister expressed hopes that the "OAS and UN special envoy to Port-au-Prince's efforts since the September 1991 coup will lead to Haiti's return to institutional rule, resulting in a full recovery of individual rights and guarantees."

Abreu insisted on stressing that "the Uruguayan Government manifests willingness to implement the group of measures recommended by the OAS, including a trade embargo and the inter-American community's cooperation in the search for ways to help a prompt restoration of democracy in Haiti."

Iran Granted Trade Access to Latin America via Free Zones

LD3010185293 Tehran IRNA in English 1724 GMT 30 Oct 93

[Text] Tehran, 30 Oct, IRNA—Uruguay has agreed to Iran's access to the markets of the Latin American states through its free trade zones, it was announced Friday during a meeting between Iran's ambassador to Montevideo, Mohammad 'Ali Sarmadi-Rad and Uruguayan minister of economy and finance.

Discussing the establishment of banking links, the two officials also reached agreement to offer credit facilities to each other.

The two sides underscored participation in exhibitions to be held either in Iran or in Uruguay.

Venezuela

Power Outage Affects Western Venezuela

PA2910204193 Caracas Radio Caracas Radio Network in Spanish 1957 GMT 29 Oct 93

[Text] According to Mrs. Morales, manager of Electricity Communications Company of Caracas, there was a power outage this afternoon in the western part of Venezuela resulting from a fault in the national interconnection system of which the following companies receive energy: (Edlca), (Cadaf), (Enelven), and (Enelvar). [expansions unknown]

According to the first reports, the outage affected a large part of the nation. Our reporter Pedro Luis Flores contacted the Federal District Fire Department who reported a fault in the (Guri) and (Tacao) interconnection called the Central Plant.

The interesting question is why did this happen, if we understand that (Guri) is autonomous from (Tacao)? We understand energy is supplied with fuel, so we do not understand this from a technical point of view. That is reportedly the reason for the outage this afternoon in a large part of the country.

That is the information that reached the General Command of the Federal District Fire Department. Deputy Commander Rodolfo Briceno explained to us. He also said they received many urgent calls from persons trapped in elevators, for example.

The outage affected Caracas, the central coastal area, the (Tui) valley, Maracaibo, Maracay, and Miranda State. It was also learned that the Federal District Fire Department was also left without any communications because the radio relay antennas in the area did not receive any electricity either.

Presidency Secretariat Minister Comments

PA2910204693 Caracas Radio Caracas Radio Network in Spanish 2004 GMT 29 Oct 93

[Report by Maria Victoria Cristancho from the Miraflores Palace]

[Text] Ramon Espinoza, minister of the Secretariat of the Presidency, has explained the reasons for the power outage in Caracas and a large part of the country.

[Begin Espinoza recording] The national government informs the country that the power outage throughout a large part of the country was basically due to the incorporation of a power generator into the transmission network. During the installation, no energy was generated.

The system protection mechanisms shut the system down, leaving the central, eastern, and western part of the country without service. The Venezuelan Andes Region was not affected.

Power should be reestablished throughout the country at 1700. [end recording]

The minister of the Secretariat of the Presidency made those statements a few minutes after Caracas and a large part of the national territory was left without electricity.

Government Reiterates Moral Support for UN Actions in Haiti

PA3110180193 Madrid EFE in Spanish 1710 GMT 31 Oct 93

[Text] Caracas, 31 Oct (EFE)—Venezuelan Foreign Minister Fernando Ochoa reiterated today that the Venezuelan Government "morally" supports all the UN actions that are being taken in regard to Haiti but reiterated that the Venezuelan Navy will not dispatch units to cooperate in the naval blockade.

"The Venezuelan Government reiterates its position of firm support of the UN resolution but all within a moral support, because—given Venezuela's political and economic situation—it is not contemplating sending military units to support the blockade," Ochoa stated.

The government's decision was decided personally by President Ramon Velasquez, who although he supports all the international community's efforts to resolve the Haitian crisis and permit the return of toppled President Jean-Bertrand Aristide, deems sending warships inadvisable.

Government Grants Asylum to Members of Cuban Choir

PA3010015593 Madrid EFE in Spanish 1726 GMT 27 Oct 93

[Text] Caracas, 27 Oct (EFE)—A Foreign Ministry spokesman confirmed in Caracas today that the Venezuelan Government has granted "territorial asylum" to the 12 members of the Havana University Choir who requested refuge in this country in September.

The Havana University Choir participated in the third University Choirs Festival in Caracas last month. The Central Venezuelan University Choral Society organized the festival.

Ezequiel Zamora, Foreign Ministry general director, said that the decision to give the Cubans "territorial asylum" had been reached this 26 October. He reported that the choir group consists of Guadalupe Calvo; Carmen Rosa Oliva; Lazaro Alberto Forga; Welfer Torres; Noel Fernandez; Oscar Perdozo; Jorge Martinez Herrera; Pablo Martinez Benitez; Boris Vasquez; and Luis Montojo.

Poll Shows Caldera Favorite Presidential Candidate

PA3110231593 Caracas EL DIARIO DE CARACAS in Spanish 26 Oct 93 pp 36-37

[Text] The trends that have been observed for the past eight months remain practically unchanged with the 5 December presidential elections now only one and one-half months away. The two candidates with the best chances of victory improved their position somewhat in relation to August (Rafael Caldera, from 24.7 in August to 26.1 percent in October; and Oswaldo Alvarez Paz, from 15.4 in August, to 16.3 in October). The difference observed between the two candidates throughout the campaign remains unchanged. Andres Velasquez slipped (from 13.4 in August to 12.0 in October) and Claudio Fermin secured negligible progress (from 9.8 in August to 10.0 in October). In other words, the preference levels are being maintained. There is a high percentage of "undecided" people.

The poll, which is exclusive to El DIARIO DE CARACAS, Radio Caracas Radio, and Radio Caracas Television, was conducted among 1,200 people from selected localities. Those polled were 18 years of age or older, included both sexes, and were from all socioeconomic levels.

Two aspects stand out in this poll, which was conducted in 36 cities nationwide 6-14 October. The first issue concerns the conduct of voters who, overall, displayed a maturity seldom seen in past elections.

Most of the people polled (52.67 percent) said their decision regarding the December elections is definitive and will not change.

A considerable percentage of the voting population (21.92 percent) represents people who are still watching the events in the country and the progress of the election campaigns before making a decision.

The second significant issue is the Venezuelan people's determination to change their legislative representatives (congressional candidates). When asked, who would you vote for on the small card [congressional ballot] if elections were held on 31 October? About 11 percent of the choices were evenly distributed, 26 percent said they would not vote, and 22 percent said they did not know or declined to answer. When asked how they plan to choose their candidates on the small card, 45 percent answered with specific names, 27 percent said they would not vote, and 13 percent did not know or declined to answer. Only 12 percent said they would vote for the candidate from their political party of choice.

Guyana

EC Grant To Stimulate Small Business Sector

FL3010024193 Bridgetown CANA in English 2253 GMT 29 Oct 93

[Text] Georgetown, Guyana, 29 Oct, CANA—The European Community (EC) Thursday gave the Guyana Government an initial grant of 250,000 European Currency Units (ECU's) to help stimulate the small business sector here.

The money, worth 37 million Guyana dollars, is to fund the first year of a three-year programme to provide up to 300 loans for about 3,500 low income earners to set up projects which will generate employment, utilise local raw materials and promote manufacturing.

Finance Minister Asgar Ally, EC delegate to Guyana Joel Fessaguet and Guyana co-ordinator for Co-operation for Development (CD), Lincoln Van Sluytman, signed the agreement at the Finance Ministry. CD, a British-based non-governmental organisation (NGO), is to fine tune the agreement with the Guyana Agricultural and Industrial Development Bank (Gaibank) and two other NGO's. These are the Red Thread Women's Development Group and the Rice Producers Association (RPA). These two organisations already have contacts with prospective clients, the state-owned GUYANA CHRONICLE reported Friday.

"It is useful for us (the NGO's) to work together rather than in competition with each other," Van Sluytman said after the signing. The EC funded programme will boost credit and technical help to small businesses here.

Youths, poor people and Amerindians are likely to be targeted.

British Trade Mission Concludes Visit Promoting Exports

FL3010022993 Bridgetown CANA in English 2243 GMT 29 Oct 93

[Text] Georgetown, Guyana, 29 Oct, CANA—Guyanese businessmen have told a visiting British trade mission the former British colony needs more foreign investment instead of more exports from Britain. A team of businessmen from the northeast English city of Manchester arrived here Thursday and were formally welcomed by Trade and Tourism Minister Michael Shree Chand and representatives of leading private sector organisations. But, at least two leading Guyanese business executives expressed reservations at the export-oriented nature of the British team from the Manchester Chamber of Commerce.

"I was a little concerned at the fact that most of our visitors are interested in selling us products," head of the Consultative Association of Guyanese Industry (CAGI), David Yankana, said. "I think in a Guyana situation,

what we are looking for in my view are persons...investors who can come here and get involved in natural resources and with or local investors to produce products which we can sell", the CAGI boss added.

He said such deals could take advantage of existing trade arrangements, including the North American Free Trade Agreement (NAFTA), Caribcan or the Caribbean Basin Initiative (CBI)-international trading arrangements. President of the Caribbean Association of Industry and Commerce (CAIC), Yesu Persaud, also echoed Yankana's concerns.

"We want two-way trade. We don't want one-way trade. We would like to see development incurring where people from Britain would come to Guyana and invest and we have a tremendous potential here," Persaud told both British and local businessmen. "When you look at it, it's the Koreans who are here, it's the Canadians who are here for the time being and some other people from Southeast Asia are coming in," Persaud added.

He described as "rather worrying" investors from Guyana's former colonial power who are "ignoring" Guyana. "Isn't it time that you pay some attention to us all over again?" said Persaud, who is also chairman of the umbrella Private Sector Commission (PSC). He suggested there could be great benefits for British investors since Guyana is the only English-speaking country in South America, is part of the Caribbean Community (Caricom) and can be considered a gateway to both.

He added: "There's lots of business to be had, but we want two-way trade. We don't have all that to trade with but the items we have you'll find good items for exchange in terms of selling in Britain and the European Community as a whole."

The PSC chairman also urged the trade team to form joint ventures with local entrepreneurs. Trade Minister Shree Chand said the visitors could not have come at a better time. He added the recently-established privatisation unit signalled government's readiness to accelerate the privatisation process by creating a competitive, market-driven environment. "We are also moving to rid the system of whatever bureaucratic bottlenecks which remain that threaten to encumber the process," the trade minister told the businessmen.

He said Guyana remained a country with great potential for foreign investment despite lingering problems. But mission leader John Burckhardt, who said the mission covered industries ranging from toiletries to automative spares, added: "It is a good time to buy British goods and services."

British High Commissioner to Guyana David Johnson also said he believed the Guyanese market for English goods could expand. It would however require time and commitment, said the diplomat. The team leaves Saturday.